

DAILY REPORT

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UNESCO DIRECTOR GENERAL CONCLUDES PRC VISIT

Leaves Xian for Beijing

HK160920 Xian Shaanxi Provincial Service in Mandarin 0500 GMT 16 Aug 83

[Text] UNESCO Director General Amadou-Mahtar M'bow and his party concluded their visit to Xian and left for Beijing yesterday afternoon.

Director General M'bow and his party arrived in Xian on the 13th of this month. The same evening, Li Lianbi, vice chairman of the provincial People's Congress Standing Committee, and Vice Governor Lin Jizhou met and feted Director General M'bow and his party. Both the visitors and the hosts expressed their desire to develop cooperation in the scientific, cultural, and educational fields.

During their stay in Xian, Director General M'bow and his party visited Xian Jiaotong University and places of historic interest and scenic beauty.

Speaks on PRC Modernization

OW151752 Beijing XINHUA in English 1630 GMT 15 Aug 83

[Text] Beijing, August 15 (XINHUA) -- UNESCO Director-General Amadou-Mahtar M'bow said today he was certain China's modernization programs would lead to sweeping changes throughout the country within the next ten to fifteen years.

Returning to Beijing after a 10-day tour of the country, Mr. M'bow said he found China's people very conscious of their common goal. The nation's outlook was entirely correct, he said, particularly regarding education, science and technology and cultural development. Third World countries could only develop according to their own conditions, he added.

Mr M'bow said he was especially impressed by China's efforts to promote education since his last visit in 1978. He was also struck by China's arts and music, which showed the continuity of thousands of years of culture. He said he found people more fashion-conscious than before, particularly peasants. China's rural dwellers looked happy and healthy, he said. But science and technology should be further developed to lighten their burden of heavy manual labor. The country could also benefit from more streamlined management techniques, he added.

He said his visit had given him a much clearer picture of what UNESCO should do in China. He foresaw great changes, and said he believed that the establishment of a UNESCO scientific office in Beijing would enhance this effort. Mr M'bow said China had chosen an arduous path, but he was confident in the country's future if it continued along its present track.

Signs Aide-Memoire

OW151200 Beijing XINHUA in English 1634 GMT 15 Aug 83

[Text] Beijing, August 15 (XINHUA) -- Chinese Education Minister He Dongchang and UNESCO Director-General Amadou-Mahtar M'bow this afternoon signed an aide-memoire on the discussions held between the director-general and the Chinese National Commission for UNESCO and Chinese educational, scientific and cultural departments concerned.

Mr M'bow and his party arrived in Beijing on August 1 and after a round of discussions with Chinese counterparts left for a tour of Jinan, Taian, Qufu, Nanjing, Shanghai, Zhengzhou, Luoyang and Xian and returned here this afternoon.

In the aide-memoire, the director-general noted that the priorities and guidelines elaborated by China in its national development plan in the fields of education, science and technology, social sciences, culture and communication are similar to those in the second medium-term plan approved by the 4th extraordinary session of the General Conference of UNESCO.

Both parties, the aide-memoire says, recalled again the fruitful and broad cooperation that has evolved in the past ten years between China and UNESCO and wished to further reinforce this cooperation over the full range of UNESCO's areas of competence. The aide-memoire identifies the many programmes and activities in which the two parties will collaborate in the spirit of mutual help. UNESCO will open a scientific office in Beijing presently.

The UNESCO party will leave China tomorrow for Korea and a farewell banquet was given by Mr M'bow this evening.

PRC ENVOY FOR DISARMAMENT PRESENTS CREDENTIALS

OW151433 Beijing XINHUA in English 1424 GMT 15 Aug 83

[Text] Geneva, August 15 (XINHUA) -- Qian Jiadong, China's first ambassador to the U.N. Committee on Disarmament, presented his credentials to the committee here today.

Qian is also China's deputy representative of the Chinese permanent missions the U.N. office at Geneva and to other international organizations in Switzerland. [sentence as received]

AFP SAYS PRC CALLS IAEA TALKS 'SUCCESSFUL'

OW151020 Hong Kong AFP in English 0958 GMT 15 Aug 83

[Text] Beijing, Aug. 15 (AFP) -- China has progressed in its talks toward becoming a member of the International Atomic Energy Agency (IAEA) but questions remain to be settled, particularly the definition of the IAEA's relations with Taiwan.

A Chinese source close to the discussions under way here since late last week with IAEA head Hans Blix said that the talks had been "successful." But the questions of Taiwan and of China's eventual participation on the IAEA's board remain to be solved, the source said. Taiwan was expelled from the IAEA in 1971 when China was accepted in the United Nations. However the U.S. agency formed to develop nuclear energy and prevent its use militarily, has maintained control over nuclear installations in Taiwan.

Diplomats said that China, a permanent member of the U.N. Security Council, would drop its demand for a seat on the IAEA board. The IAEA would have to enlarge its board, which currently seats a dozen countries, if China were to be included.

An official source said the talks were continuing today and tomorrow. Mr Blix is to leave Beijing Wednesday for Guangzhou, southern China. China is the only nuclear power not a member of the IAEA. Membership would allow it to expand its non-military nuclear cooperation with foreign countries.

UN-SPONSORED CONSULTANTS COURSE OPENS IN PRC

OW151234 Beijing XINHUA in English 1202 GMT 15 Aug 83

[Text] Beijing, August 15 (XINHUA) -- A six-week training course in feasibility studies for consultants in economic and financial affairs opened here in Beijing today.

This is one of the projects aided by the United Nations Development Program and organized by China International Economic Consultants, Inc., China International Engineering Consultants, Inc. and the China Financial and Accounting Consulting Service for the promotion of feasibility studies in the country.

The course will concentrate on the economic returns and financial benefits a project may bring about and on the relationship between a project and the whole national economy and between micro-economics and macro-economics, said Li Fengchi, general manager of China International Engineering Consultants, Inc., at the opening ceremony.

Lectures will be given by two Chinese experts and six foreign experts from three major consulting corporations in the world, namely Price Waterhouse, Arthur Anderson, Coopers and Lybrand, and the World Bank.

Attending the course are 46 students from central departments and units in other parts of the country.

U.N.-FINANCED BEARING TEST CENTER IN HANGZHOU

OW121212 Beijing XINHUA in English 1145 GMT 12 Aug 83

[Text] Hangzhou, August 12 (XINHUA) -- A United Nations-financed bearing test and research center has been completed and gone into operations in the lakeside city of Hangzhou, Zhejiang Province. The east China center will help manufacturers improve designs and techniques, increase the lifespan of bearings and develop more new products by furnishing them with data and research results of their products, according to local authorities.

The first phase of the project was aided with U.N. funds for technical consultancy, import of equipment and training of personnel under a document signed between the Chinese Government and the U.N. Development Program in 1980. The second phase of the project, which also has U.N. assistance, is expected to be completed next year. The center will also sponsor technical exchanges and train staff, the authorities said.

According to a test center official, China's bearing production will be increased by 50 percent within the next five years to meet the growing demands of the national economy.

SHIJIE ZHISHI VIEWS U.S.-USSR 'CONFRONTATION'

OW151826 Beijing XINHUA in English 1523 GMT 15 Aug 83

[Text] Beijing, August 15 (XINHUA) -- One characteristic of the current world situation is that confrontation between the United States and the Soviet Union is more intense than ever, says Huan Xiang, adviser to the Chinese Academy of Social Sciences.

He made the remark in an interview reported in the latest issue of the journal WORLD KNOWLEDGE, to appear tomorrow.

Huan Xiang said that since President Reagan came to power, the U.S. Government has taken a series of measures to intensify confrontation with the Soviet Union.

-- Stepping up the arms race and engaging in arms expansion in rivalry with the Soviet Union in a bid to break the equilibrium of nuclear arms gained by the Soviet Union through many years of efforts. They are scrambling for strategical and regional nuclear superiority. Meanwhile the United States has not neglected the conventional arms race.

-- Having intensified its military and political pressure on Central America to the point of aggressive meddling in Central American affairs, and taking the offensive in the Middle East. The United States has turned the unfavorable position in the Middle East two years ago to one favorable to it now. The Soviet Union has maneuvered to secure its position, having made no progress in the Middle East.

-- Trying to restore its strength in Asia, the contention between the United States and the Soviet Union has entered a new stage. The Soviet military presence in Asia has been enhanced by deploying SS-20 nuclear missiles and expanding naval and air strength in the west Pacific. The United States has affiliated Japan to itself and urged Japan to share its defense and military expenditure so as to form a political and military alliance. In addition, the United States has also made overtures to the ASEAN countries.

Overall, Huan Xiang said, the United States has made certain achievements in a bid to restore its hegemony in the world, so that contention for hegemony between the two superpowers, far from being alleviated, is now more intense.

Huan Xiang, an experienced diplomat and now leader of the international affairs research centre of the State Council, said that the second feature of the current international situation was that although the U.S. and the Soviet Union still exert control over their own allies, such control is in the process of weakening. Neither U.S. nor Soviet command is as effective as it was.

The third characteristic, he said, was the increasing difficulties faced by Third World countries. It is not easy for the countries to adopt independent political and economic action. There exist conflicts of interests and contradictions among them, such as those revealed in the Sixth U.N. Conference on Trade and Development. Some countries preferred one thing while others preferred another, considering their own practical interests to the detriment of their unity.

As for the fourth characteristic, he continued, from the world economic situation as a whole one can see that the cycle started in 1980 has passed. A drop in production started in 1980 and extended to the end of 1982 and early 1983. At present the whole economic situation is in a trend of resuscitation and the degree of recovery is in a state of imbalance. He held that the momentum of this resuscitation may continue for a period and at a certain level. But, he pointed out, it is impossible to return to the prosperity of the years between the 1950's and the early 1960's.

UN ANTI-RACE DISCRIMINATION CONFERENCE ASSESSED

OW131913 Beijing XINHUA in English 1647 GMT 13 Aug 83

["News Analysis: A Powerful Irresistible Current" -- XINHUA headline]

[Text] Geneva, August 13 (XINHUA correspondent Ren Zhende) -- The U.N.-sponsored Second Conference to Combat Racism and Racial Discrimination concluded here today after adopting a declaration and a program of action and announcing the start of a plan for a second decade in the struggle against racism and racial segregation.

The results of the conference are a new victory for the people of the world, especially the Third World countries, in their struggle against racism, racial discrimination and racial segregation and will certainly give an impetus to the struggle.

During the 12-day conference, representatives of over 100 countries and international organizations delivered speeches condemning the racist regime of South Africa and expressing support to the South African people's struggle for emancipation and to the Namibian and Azanian people's right to self-determination.

Also condemned was Israel for its collaboration with South Africa, especially for its "nuclear cooperation" with Pretoria.

At the conference the Third World countries were unanimous in demanding an end to racism and racial discrimination and in urging determined sanctions against the South African regime.

The conference was convened at a time when significant victories have been scored in the struggle against racism and racial discrimination. During the past 10 years, Mozambique, Angola and Zimbabwe have, through protracted and valiant struggles, shaken off the shackles of colonialism and racism and won national liberation and independence. In Namibia and Azania, the struggle against racist rule and for national liberation has won new victories. The front-line states despite all kinds of pressure, have stood in the forefront of the struggle against South Africa. All the antiracist forces have thus joined hands and formed a powerful, irresistible current which is pounding [as received] the last bastion of racism -- South Africa.

Meanwhile, South Africa is continuing its suppression of the South African people, thus seriously menacing the stability and peace of Africa and the world as a whole.

As to the reason behind South Africa's arrogance, many representatives said it is mainly the backing from the United States. The economic support by some 2,000 multinational corporations in South Africa is another factor. In these circumstances, many Third World countries called at the conference for comprehensive and mandatory sanctions against South Africa. This proposal, however, was opposed by some Western nations which only paid lip service to the struggle against racism. The United States went even farther by its decision to boycott the conference.

The conference has proved that the Third World countries are now the main force in the struggle against racism and racial discrimination and segregation and that they are playing a more and more important role in international affairs. They are aware that there exist various obstacles in the fight against racism. But they are convinced that the powerful current against racism will eventually put all forms of racism into its grave whatever difficulties and obstacles there may be on the road ahead.

RENMIN RIBAO Comment

HK151024 Beijing RENMIN RIBAO in Chinese 14 Aug 83 p 6

["Short" commentary: "Continue the Struggle Against Racism"]

[Text] The Second World Conference to Combat Racism and Racial Discrimination, sponsored by the United Nations, has closed following the issuance of a resolution of declaration and program of action.

The conference summed up the activities and progress of the "10 years of action," which began in 1973, of the United Nations to combat racism and racial discrimination, studied future specific measures for continuing the struggle against racism and racial discrimination, and declared the beginning of the second 10 years of action to combat racism and racial discrimination. The conference will inevitably further bring into play the struggle against racism and racial discrimination.

Racism is a kind of reactionary philosophical theory fabricated by colonialists, imperialists, and fascists in order to safeguard their colonies, semicolonies, and barbarous suppression and rule over their people. People of Asia, Africa, and Latin America -- especially the African people -- have suffered the most for centuries. But the colonial system has fallen apart and racism has been under heavy blows from national liberation movements and struggles for national independence in Asia, Africa, and Latin America. However, the South African racist regime has continued to carry out its barbarous apartheid policies and become the most stubborn fortress of racism today. The minority white colonialists brutally repress the national democratic movement, unlawfully occupy Namibia and exercise racist rule and oppression at home. They frequently launch military attacks on or armed intrusions into its neighboring countries, thus severely threatening peace and security in southern Africa and the African Continent as a whole. The savagery of the South African authorities have something to do with the connivance of a superpower and the negative attitude of some Western countries toward the sanctions against South Africa.

People all over the world should, in the current struggle against racism and racial discrimination, concentrate their strength to combat racial discrimination and apartheid policies pursued by the South African regime, and bring about the realization of self-determination rights of the Namibian and Azanian people. Various governments and international organizations or agencies should assume the obligation to strictly implement all the UN resolutions and decisions against racism, racial discrimination, and apartheid so as to carry out the sanctions and isolate the South African racist regime. Any cooperation with the South African racists, in particular Israel which acts in collusion with the South African authorities, must be condemned. Israel's acts of racial discrimination and oppression against the Palestinian people on the occupied Arab territories must be stopped.

History is advancing and the world is progressing. With the common struggle of people of all nations over the world, the day that racism is uprooted from our world will surely come.

RENMIN REBAO NOTES RECENT RISE OF U.S. DOLLAR

HK121036 Beijing RENMIN REBAO in Chinese 12 Aug 83 p 7

["Economic Notes" by Gong Chang "Why Does Exchange Rate of the U.S. Dollar Rise Sharply?"

[Text] Since the end of July the exchange rate of the U.S. dollar has risen sharply on various foreign exchange markets throughout the world. On 10 August the dollar stood at 2.7120 against the mark on the Frankfurt foreign exchange market. In Tokyo it stood at 245.85 against the Japanese yen, and in France the defense line of \$1 to 8 francs was broken through at the beginning of August.... However, in August 1978, when President Carter was in power, the dollar once dropped to \$1 to 1.70 marks. In just 5 years the dollar's exchange rate has risen by more than 100 percent.

The sharp rise of the dollar exchange rate has even run contrary to the expectations of many experts, including some directors of central banks in Western countries. They have repeatedly forecast that the dollar's exchange rate will drop. Last winter and this spring, when they saw that the rate had dropped a little, they excitedly announced that the time for the "reverse of the exchange rate" had come. Some countries then reduced their interest rates one after another, hoping that the United States would follow their example and reduce its interest rate too, so that there could be new economic development. However, the facts show that their prediction and action were overhasty. Immediately after the drop of the dollar's exchange rate, it rose again even faster.

What is the reason that these "experts" have made one mistake after another in foretelling the trend of the exchange rate of the U.S. dollar? It is because they have usually tried to discern the reason for the rise and fall of the exchange rate merely according to their past experiences. They cherish the following views: 1. When an adverse balance appears in the regular items of international payments in a country, it will have a negative impact on the currency of that country. Several years ago, when an adverse balance appeared in the regular items of international payments in England, West Germany, and France, the pound sterling, the mark and the franc all became weak. This year, a deficit of \$30 billion will appear in the regular items of international payments in the United States. The experts have also predicted that due to the vast imports required by the regrowth of the economy in the first half of next year, there will be another adverse balance of \$18 billion. All this will restrain the rise of the exchange rate of the dollar. 2. The financial budget deficit of a country can also exert pressure on the exchange rate of the currency of that country. In this and the next financial years, there will be, respectively, a huge budget deficit of some \$200 billion in the United States. This is already known to all. 3. The inflation rate in the United States, which has now dropped to lower than 3 percent, seems to be dropping continuously. The present rate is lower than that in West Germany, Japan, and Switzerland. A fall of the inflation rate in the United States -- a fall of the interest rate of the U.S. dollar -- a fall in the exchange rate of the dollar: this is a logical inference. It is also a main reason for those who believe that the exchange rate of the dollar will drop in the future. However, these theories have neglected the following two main reasons for the sharp rise of the exchange rate of the U.S. dollar.

1. To curb inflation, the U.S. Government has implemented a long-term policy of reducing the money supply; so, prime rates of commercial banks will be retained at a high level of about 10 percent.

With this, the U.S. market is like a magnet which attracts a large quantity of foreign capital to fill in the financial gaps in the United States. Last year, foreign capital which flew into the United States amounted to \$42 billion. During the first half of this year, the amount of foreign capital was \$20 billion. At present, although the inflation rate has dropped, the policy of high interest rates has not impeded economic revival because the U.S. Government is following a special system of "deducting tax payment" [shui jin hui kou 4451 6855 0932 2099]. To capitalists of U.S. enterprises, this is tantamount to reducing the actual interest rate by 50 percent, to the same level as West European countries. Therefore, the policy of high interest rates is still good for attracting foreign capital. In addition, in the process of economic revival, the prices of raw materials soar. This will incur the danger of another inflation. Therefore, it is still necessary for the United States to pursue its policy of high interest rates. The United States finds it difficult to change this policy.

2. The crisis in international debts is giving rise to a "dollar rush." According to statistics by international clearing banks, the loans directly granted by commercial banks of various countries of the world up to the end of 1982 reached \$531 billion, \$245 billion of the amount due for payment this year. Most of the loans are also in the U.S. currency. Many financially pinched debtor countries have found themselves bogged down in a quagmire, clutching at every dollar like a straw. Also given all the debts contracted by various countries in the first 7 months of this year, standing at approximately \$90 billion (of which newly incurred debts by France and the United States, respectively, exceeded \$10 billion), there is an urgent need for an astronomical sum of nearly \$400 billion on the international financial market this year. It can be seen that the "dollar rush" is also a kind of "dollar scarcity" in a new situation. Certain Western newspapers and magazines have regarded this as a main reason for the dollar's sharp rise.

When will the dollar trouble end? That depends on whether the U.S. Administration reduces interest rates and whether the crisis in international debts gradually eases.

OVERVALUED U.S. DOLLAR HURTS WESTERN ECONOMY

OW121914 Beijing XINHUA in English 1615 GMT 12 Aug 83

["Roundup: Overvalued Dollar Threatens Western Economy" -- XINHUA headline]

[Text] Beijing, August 12 (XINHUA) -- The soaring U.S. dollar, showing no sign that it will lose much altitude any time soon, is threatening Western Europe's already anemic economy. With the dollar moving still higher, the exchange rates of the Japanese yen, the West Germany mark, the Italian lira, the French franc and other Western currencies against the dollar have fallen to record lows during the past few days.

Earlier this month, the United States carried out a promise to its European allies by intervening in the world money market jointly with West Germany and Japan. But the evidence shows that the intervention did little to curb the rise of the dollar.

"There's no real indication yet that the dollar is about to start coming down," says Rimmer Derries, Morgan Guaranty Trust Co's chief international economist. Albert Bressand, deputy director of the Paris-based French Institute for International Relations, says, "It looks as though the dollar will be high for quite some time."

The Western European countries complained that the strong dollar cast a shadow over their troubled economies. French Finance Minister Jacques Delors suggested that a continuing strong dollar could "plunge Europe into a still deeper crisis."

Economists in Western Europe say that when the dollar is strong they have to try and prevent an outflow of capital. The high rates impede business investment and threaten Europe's economic recovery. They also say that a high U.S. dollar forces other countries to pay more for oil imports than they otherwise would because oil prices are set in terms of the dollar.

A report by the West German Federal Bank shows that by August 7 West Germany's exchange reserve has been reduced by 1.7 billion marks because of the overvalued dollar.

Economists in West Germany say that if the dollar continues to rise not only will the nation's trade be affected but also each consumer in the country.

According to Italian officials, the rise of the dollar and the devaluation of the lira have already had serious consequences on the Italian economy. The devaluation of the lira against the dollar has greatly increased its expenditure on oil imports. Due to the cut in world oil prices, the cost of its imported oil fell in the first six months of this year. But now, as the dollar moves higher, Italy must pay almost the same price as last year.

Japan is suffering from a weaker-than-expected economy that limits any attempts to strengthen the yen. It will have to tighten credit and raise interest rates, but higher interest rates now could blunt prospects for a recovery.

The sharp devaluation of the yen will make the country's oil imports more expensive. Since the beginning of the year, Japanese oil enterprises have spent 3 billion U.S. dollars to import 16 million kiloliters of crude oil monthly. A one-yen devaluation against the dollar will add three billion yen to their costs.

Leaders of the European countries urged the U.S. Government to take further measures to rein in the soaring dollar. Gerhard Stoltenberg, West German minister of finance, appealed to the Reagan Administration Thursday to keep down its budget deficit, which is considered the cause of the high dollar. He said that intervention in the currency market is not the only solution to the problem.

TANJUG: KAPITSA MAY HEAD USSR DELEGATION TO PRC

LD131520 Belgrade TANJUG in English 1304 GMT 13 Aug 83

[Text] Moscow, Aug 13 (TANJUG) -- One of Soviet Foreign Minister Gromyko's assistants, Mikhail Kapitsa, will visit Beijing from September 8 to 16, at the invitation of Chinese Deputy Foreign Minister Qian Qichen.

Kapitsa unofficially visited Beijing in spring (?this year). That visit preceded the Moscow round of the Soviet-Chinese political dialogue on terms for the normalization of relations between the two countries. Kapitsa was assistant of the Soviet delegation head at the consultations.

His forthcoming visit and Beijing's invitation, are interpreted by observers as a confirmation that in the next round of the talks Kapitsa will head the Soviet delegation, instead of its head to date Leonid Ilichev.

PRC-SOVIET RAILWAYS COMMISSION OPENS IN CHITA

LD151843 Moscow Domestic Service in Russian 1300 GMT 15 Aug 83

[Text] The latest session of the Soviet-Chinese joint border railway commission opened today in Chita. Taking part in it are representatives of the Qiqihar Harbin, Far Eastern and Transbaykal Railways.

[Moscow Radio Peace and Progress in Mandarin to China at 1100 GMT on 15 August reports: "Present at the meeting, on the Chinese side, are representatives of the Qiqihar and Harbin Railways and, on the Soviet side, representatives of the USSR Far Eastern and Transbaykal Railways. They will discuss commercial and technical issues related to the transit of import and export cargoes. A variety of cultural programs has been prepared for the Chinese guests."]

VISITING SOVIET SOCCER TEAM PLAYS IN BEIJING

OW131753 Beijing XINHUA in English 1626 GMT 13 Aug 83

[Text] Beijing, August 13 (XINHUA) -- The visiting Soviet "Shakhter"-Donetsk football team, this year's "Soviet cup" tournament champions, drew with the Beijing team 0-0 in its opening China match here this evening. Among 80,000 spectators at the Beijing Workers' Stadium were Lu Jindong, vice-minister of the State Physical Culture and Sports Commission, and G.V. Kireev, charge d'affaires ad interim of the Soviet Embassy here.

The match was keenly contested and the guest team showed stronger physical strength. In the second half the guest team's fast counterattacks and several beautiful long shots impressed the spectators. The host team lost a scoring opportunity because its centre forward Li Hui shot the ball on to the goal post when the Soviet goalkeeper V. Elinskas ran out. Beijing's goalkeeper Lu Jianren saved several powerful shots.

The guest team will leave for Shanghai tomorrow to meet the Shanghai team on August 16.

HU DISCUSSES PRC POLICY WITH MAINICHI REPORTERS

OW151534 Beijing XINHUA in English 1513 GMT 15 Aug 83

[Text] Beijing, August 15 (XINHUA) -- Chinese Communist Party Central Committee General Secretary Hu Yaobang told a group of Japanese reporters here today that China is set to recover her sovereignty over Hong Kong by 1997. The present negotiations between China and Britain, he said, are confined to the ways of preserving Hong Kong's prosperity and stability and the gradual transition from now to the time of recovery. As to the maintenance of Hong Kong's prosperity, "we have a complete set of policies," the Chinese party leader declared.

On the Taiwan issue, Hu Yaobang said Deng Xiaoping's recent talk with American Professor Winston I.Y. Yang expressed the agreed view of the Political Bureau of the C.P.C. Central Committee. An earlier reunification of Taiwan and the mainland would mean more benefits to the Taiwan authorities, he stressed.

During a two-hour meeting in the Great Hall of the People with a delegation from the MAINICHI SHIMBUN led by its director Taisuke Yamaguchi, Hu Yaobang in a silver-gre Western suit talked freely about Sino-Japanese, Sino-Soviet and Sino-U.S. relations.

Asked about Sino-Japanese relations, Hu Yaobang said, "We wish to see a steady development of Sino-Japanese relations, because that concerns the fundamental interests of our two peoples." The bilateral relations have been fine on the whole during the past eleven years, he added. But there is a question of increasing mutual trust in political and economic affairs and personnel exchange. "We have to remove misunderstandings and misgivings constantly. We are sincere and confident in this matter," he said.

Japanese guests said that people in Japan are concerned about the extent of the development of Sino-Soviet relations in the future. Hu Yaobang said: "We hope to normalize our relations with the Soviet Union. But now, Sino-Soviet relations are not yet normal. However, I think our two countries will eventually move towards normalization, for normalization is in the interest of the two peoples and world peace as well."

Asked about Sino-U.S. relations, Hu Yaobang said: "There is a tight knot between our two countries which is yet to be untied. That is the Taiwan issue. This question involves China's sovereignty and internal affairs. We will not compromise." He said: "We give signals to the United States every year. It's a pity that the U.S. leaders have bad ears." This remark brought forth a peal of laughter in the hall.

Hu Yaobang said that China is willing to develop friendly relations with the people of all countries including Japan, the Soviet Union, the United States, Britain and France, and learn from their useful experience. "On this matter, we shall not change," he added with a forceful wave of the left arm.

In Asia, he said, there still exist quite a few unstable factors, factors damaging peace and stability. "We are willing to make joint efforts with the other Asian countries to eliminate these factors," he added. Hu Yaobang also gave the visitors a detailed account of China's economic and political situation.

Qian Qichen, Chinese vice-minister of foreign affairs, was present on the occasion.

THAI HOUSE DELEGATION VISITS GUILIN 15 AUG

OW151410 Beijing XINHUA in English 1330 GMT 15 Aug 83

[Text] Guilin, August 15 (XINHUA) -- A delegation from the Thai House of Representatives, led by its speaker Uthai Phimchaichon, visited a reservoir on the city's outskirts today. The reservoir is a medium-sized project mainly for irrigation in addition to power generation and fish breeding. It can irrigate 28,700 hectares of land and generate 53 million kWh of electricity annually.

During the visit, Uthai said China is fairly advanced in water conservancy, adding that the was helpful to them. [sentence as received] He appreciated China for its ability to use the equipment it has made to build and equip the reservoir.

The Thai guests arrived here by air from Hangzhou this morning. This evening, they were guests of honour at a banquet given by the Standing Committee of the People's Congress of the Guangxi Zhuang Autonomous Region and the Guilin City.

THAILAND PRESENTS BUDDHIST STATUES TO PRC

OW151944 Beijing XINHUA in English 1533 GMT 15 Aug 83

[Text] Bangkok, August 15 (XINHUA) -- Former Thai Prime Minister Kriangsak Chomanan today presided over a ceremony for the presentation of five Thai Buddhist statues to the Chinese Buddhist Association. Among the statues three are brass statues of Buddha, one of the famous Bodhisattva Avalokitesvara, and one of a sitting Arhat (one who has reached the state of enlightenment in Buddhism).

The ceremony took place at the Augsburg Buddha-statue-casting plant in Chon Buri Province, over 100 kilometres south of here.

The presentation was made by the 85-year-old Sangharaja (the highest monk) to Chinese Ambassador Shen Ping who was entrusted to convey the statues to China.

Kriangsak himself donated one of the three brass Buddha statues, while several Thai friends and business firms provided the funds for casting the other statues.

SHANGHAI TO HOLD TALKS ON HONG KONG EXPORTS

OW160833 Beijing XINHUA in English 0814 GMT 16 Aug 83

[Text] Shanghai, August 16 (XINHUA correspondent Ye Shitao) -- Shanghai will sponsor export commodities talks in Hong Kong between September 1 and 25, 1983, according to the Shanghai Foreign Trade Corporation.

This will be the first time Shanghai has held such talks, aimed at expanding its exports to Hong Kong, Macao and Southeast China.

It is jointly sponsored by the Shanghai Foreign Trade Corporation and the China Resources Company of Hong Kong. Present at the talks will be seven Shanghai branches of national import and export corporations covering textiles, garments, light industrial products, metals and minerals, machinery, chemicals and animal by-products commodities on exhibition and for export will include cotton cloth, cotton-polyester cloth, woolen fabrics, garments, knitwear, everyday articles, metal tools, building metals, castings, carpets, brushes, patent medicines, medical apparatus and instruments, surgical dressings, down and feathers, furs and leather products, and chemical products.

LI XIANNIAN MEETS DANISH DELEGATION 15 AUG

OW151246 Beijing XINHUA in English 1222 GMT 15 Aug 83

[Text] Beijing, August 15 (XINHUA) -- Chinese President Li Xiannian met with the Danish Parliament delegation led by its chairman Svend Jakobsen, at the Great Hall of the People here this afternoon.

Li Xiannian said that Denmark is one of the earliest countries which established diplomatic relations with China, and that the bilateral relations are good. He said that Denmark's experience in agricultural production and livestock-breeding is worth studying by China. He expressed satisfaction with its cooperation with China in the above-mentioned fields.

Li Xiannian said China mainly relies on its own efforts to build the country, but this does not mean to close its door to other countries. China is willing to enhance friendship and cooperation with all countries, including Denmark, on the basis of equality and mutual benefit, he added.

Svend Jakobsen also expressed great satisfaction with the development of friendship and cooperation between Denmark and China. Such cooperation is of mutual benefit, he said, expressing the hope to see the furtherance of cooperative relations. Svend Jakobsen noted the living standards of the Chinese people have kept improving thanks to their own efforts. He hoped that the Chinese people will score still greater success.

ITALY'S BERLINGUER ARRIVES IN BEIJING 15 AUGUST

OW151703 Beijing XINHUA in English 1639 GMT 15 Aug 83

[Text] Beijing, August 15 (XINHUA) -- Enrico Berlinguer, general secretary of the Italian Communist Party, his wife Letizia Laurenti and their children arrived here this afternoon for an unofficial, vacationing tour at the invitation of Hu Yaobang, general secretary of the Central Committee of the Chinese Communist Party.

Mr Berlinguer last visited China in 1980 at head of a delegation from the Central Committee of the Italian Communist Party. He was accompanied today by Antonio Rubbi, head of the External Liaison Department of the Italian Communist Party, and his family.

Mr Berlinguer was met at the airport by Qiao Shi, alternate member of the secretariat of the C.P.C. Central Committee, and Qian Liren, head of the International Liaison Department of the C.P.C. Central Committee. Also present was Graziella Simbolotti, interim charge d'affaires of the Italian Embassy in Beijing.

ZIMBABWE PRESIDENT BANANA ARRIVES FOR VISIT

Meets Li Xiannian

OW151430 Beijing XINHUA in English 1417 GMT 15 Aug 83

[Text] Beijing, August 15 (XINHUA) -- Li Xiannian, president of the People's Republic of China, and his wife Lin Jiamei met with Zimbabwe's president, Canaan S. Banana and Lady Janet Banana at the Great Hall of the People here today.

During their meeting, the two presidents said they hoped to further strengthen friendly relations between their governments and peoples.

Li Xiannian said the Chinese and Zimbabwean people were working hard to build their own countries and should learn from each other without copying other's experience. They should apply their experience according to the actual conditions of their own countries, and this meant seeking the truth from facts, Li added.

President Banana said his people appreciated China's policy of strengthening cooperation with the Third World countries and supporting Zimbabwe in its struggle against apartheid in South Africa. This was in the interest of defending peace and stability in the region, he said.

Present at the meeting were State Councillor and Foreign Minister Wu Xueqian, and Zou Yu, minister of justice. Also present were S.S. Mubengegwe, the Zimbabwean minister of housing, and other officials in President Banana's party.

President and Mrs. Banana arrived here this afternoon for an official visit at the invitation of Li Xiannian.

Feted at Banquet

OW151636 Beijing XINHUA in English 1611 GMT 15 Aug 83

[Quotation marks as received]

[Text] Beijing, August 15 (XINHUA) -- Li Xiannian, president of the People's Republic of China, gave a banquet in honor of President Canaan S. Banana of the Republic of Zimbabwe, Lady Janet Banana and their party, at the Great Hall of the People here this evening. The military band played music of welcome when Li Xiannian and his wife Lin Jiamei accompanied President Banana and his wife to the banqueting hall.

In his speech, Li Xiannian praised Zimbabwe for his domestic and foreign policies. He said: "Since independence Zimbabwe has done much in promoting racial reconciliation and national unity and, in following an economic policy adopted in line with its domestic realities, has worked hard to rehabilitate and develop production and gradually improve people's livelihood. Zimbabwe has pursued a foreign policy of non-alignment, opposed imperialism, colonialism, racism and power politics, supported the just struggles of the peoples of Namibia and South Africa and established and developed friendly relations and cooperation with all countries that respect Zimbabwe's sovereignty. [Beijing XINHUA Domestic Service Chinese at 1546 GMT on 15 August here inserts in its report: The Chinese people are elated at the achievements scored by the Zimbabwean people, and hope that you score even greater achievements.]

With the support of the justice-upholding countries in Africa and the rest of the world, he said, Zimbabwe and the other front-line states are carrying on struggles to counter the military threats and aggression by the reactionary regime of South Africa and eradicate colonialism and racism in Africa and achieve complete liberation of the whole of Africa.

Li Xiannian reiterated that the Chinese Government and people will unswervingly stand by the people of southern Africa and support their just struggle. "I am convinced that the people of southern Africa will eventually win victory," he said.

Referring to the situation in Africa, Li Xiannian said, "at present, African countries are working for their economic development, and fresh successes have been achieved. In this process, they have also encountered many difficulties. The shifting of economic crises by some developed countries, in particular, has caused great losses to the economies of the African countries. Like other Third World countries, African countries have become keenly aware that in carrying out economic development, it is necessary for them to strengthen cooperation among Third World countries while mainly relying on their own efforts. This is of major strategic importance for breaking the unreasonable old international economic relations and the attainment of common progress of Third World countries."

As a member of the Third World, Li went on, China is ready to increase economic and technical cooperation with the African and other Third World countries in accordance with the principles of "equality and mutual benefit, stress on practical results, diversity in form and attainment of common progress", and together with them, work for the establishment of the new international economic order.

Li Xiannian noted that profound friendship between the Chinese and Zimbabwean peoples has been forged in their common struggles. Since the establishment of diplomatic relations, friendly exchanges between our two countries and cooperation in the political, economic and other fields have expanded and developed steadily. The exchange of visits between Prime Minister Mugabe and Premier Zhao Ziyang has made outstanding contributions to the development of friendly relations between the two countries. "I am convinced that the visit to China by his excellency the president and Lady Banana will further strengthen and develop the friendship between the peoples of China and Zimbabwe and the friendly relations between the two countries," he said.

President Banana said that the relations of militant solidarity existing between the two countries and peoples, have taken root through China's unfailing support of the cause of Zimbabwean people for freedom and justice as they fought the war of national liberation. "We in Zimbabwe do regard the People's Republic of China as a special friend and ally. In spite of the vast distances separating our two countries, our peoples have for long been close to each other at heart," he added.

Banana said it is very encouraging to note that the two peoples have become partners in the reconstruction of post-independence Zimbabwe. In this regard, he went on, the two sides have since concluded agreements in the fields of trade, economic and technical cooperation and culture. "Despite our modest economic successes during the past three years, our political challenges in the region have not been less. Our efforts to achieve economic independence and self-reliance in the southern African region are continually being hampered by South Africa's acts of unprovoked aggression against the neighbouring, peaceloving, independent states," he said.

He denounced South Africa as flagrantly violating international law and disregarding the sovereignty and territorial integrity of its neighbors. "The government and people of Zimbabwe have consistently and firmly condemned these atrocities and will not be deterred by the use of force or threats against it," he said. The Zimbabwean president reiterated his people's firm support to the Namibian people in their just struggle. He said, "We believe that self-determination for the Namibian people is an inalienable right which cannot be the subject of negotiation. We are naturally dismayed by the attempts on the part of certain states to link the withdrawal of Cuban troops from Angola with the granting of independence to Namibia."

"My government is equally distressed by the increasing and regrettable tendencies towards violence, expansionism and intervention in international relations," he added. "My country is against any kind of foreign interference."

Banana said he hoped that the two countries will continue to co-operate and intensify their efforts in the struggle to bring about a new international economic order. In conclusion, he expressed the hope that his visit will further consolidate cooperation between Zimbabwe and China.

Among those present at the banquet were Banqen Erdini Qoigyil-Gyancan, vice-chairman of the National People's Congress Standing Committee, and Wu Xueqian, state councillor and foreign minister. Zimbabwe ambassador to China, G. Phineas, was present.

LI XIANNIAN GREETES TUNISIAN PRESIDENT BOURGUIBA

PM151141 Tunis L'ACTION in French 5 Aug 83 p 1

[Unattributed report: "Message to the Head of State From the PRC President"]

[Text] On his 80th birthday President Habib Bourguiba received the following message from PRC President Li Xiannian:

"On the occasion of your 80th birthday, I would like to send you my warm congratulations on behalf of the PRC, the Chinese people, and on my own account.

"You are the founder of the Republic of Tunisia and one of the eminent leaders of the national liberation movement in Africa. Back in the twenties, you led the Tunisian people in the long struggle against colonial domination, which led to Tunisia's independence in 1956.

"Under your remarkable leadership, Tunisia took the path of national recovery and prosperity for the country. In international affairs you have actively taken the initiative in the Nonaligned Movement, you have opposed the policy of the strongest, you have supported the cause of national liberation for the African peoples and the Palestinian people's just struggle, and have energetically undertaken to promote a comprehensive and equitable solution to the Middle East problem, and you have striven to increase solidarity and cooperation among the Maghreb countries. All that has won you great respect from the international community.

"You are an old and respected friend of the Chinese people.

"We welcome the favorable development of Sino-Tunisian relations of friendship and cooperation, cultivated thanks to the attention of Your Excellency and our country's leaders. I am convinced that as a result of our joint efforts, Sino-Tunisian friendship will yield even more abundant fruit.

I. 16 Aug 83

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PRC INTERNATIONAL AFFAIRS
MIDDLE EAST & AFRICA

I sincerely wish you good health and long life.

I wish the Republic of Tunisia prosperity and happiness for its people."

JI PENGFEI MEETS GABONESE DELEGATION 15 AUG

OW151313 Beijing XINHUA in English 1227 GMT 15 Aug 83

[Text] Beijing, August 15 (XINHUA) -- State Councillor Ji Pengfei met and had a cordial conversation here today with a friendship delegation from Gabon led by Jean Arsene Bounguendza, special adviser to the president.

JI PENGFEI ATTENDS CONGOLESE NATIONAL DAY FETE

OW151330 Beijing XINHUA in English 1237 GMT 15 Aug 83

[Text] Beijing, August 15 (XINHUA) -- The Congolese ambassador to China Jean-Claude Ganga and Mrs. Ganga gave a cocktail reception here today to mark the 20th anniversary of the August revolution of the People's Republic of the Congo.

Chinese State Councillor Ji Pengfei and Vice-Foreign Minister Wen Yezhan among the guests.

PRC DELEGATES AT AUSTRALIA SOLAR WORLD CONGRESS

OW151358 Beijing XINHUA in English 1324 GMT 15 Aug 83

[Text] Canberra, August 15 (XINHUA) -- The Solar World Congress opened in Perth, Western Australia, yesterday. The biennial congress is sponsored by the International Solar Energy Society. Fifteen delegates from China are among the 1,200 delegates.

More than 600 reports on the research, development and use of solar energy will be presented to the congress. Chinese scientists will give five papers during the five-day meeting.

Six major subjects will be discussed at the congress. They are: 1) thermal application for buildings; 2) thermal application for industry; 3) electricity and mechanical work; 4) materials -- chemical and biological systems; 5) resources -- wind energy systems; 6) economic, environmental and other aspects of solar energy. The delegates will also discuss solar energy use in the developing countries.

An international solar energy exhibition also opened in Perth the same day. Researchers, designers and manufacturers from 15 countries are displaying solar energy systems, equipment and related hardware at the exhibition. The exhibition drew 7,000 visitors on its first day.

This is the first time the Solar World Congress has been held in Australia, a country believed to have great potential for the development of solar energy.

LEI JIEQIONG ENTERTAINS CANADIAN POLITICAL GROUP

OW121453 Beijing XINHUA in English 1434 GMT 12 Aug 83

[Text] Beijing, August 12 (XINHUA) -- Lei Jieqiong, vice-president of the Chinese Association for International Understanding, gave a reception here this evening for a group of members of the New Democratic Party of Canada led by Canadian M.P. Daniel Heap. The 17-member group arrived here yesterday at the invitation of the association. The Canadian guests will also visit Chongqing, Yichang, Wuhan, Nanjing, Shanghai, Guilin, Guangzhou and Shenzhen so as to gain an extensive understanding of China's political, economic, and cultural achievements.

This afternoon the economist Yong Longgui, council member of the association, gave a detailed account of China's national economic development over 30 years and answered questions from the Canadian guests.

ARGENTINE PRESIDENT RECEIVES PRC DELEGATION

OW130943 Beijing XINHUA in English 0825 GMT 13 Aug 83

[Text] Buenos Aires, August 12 (XINHUA) -- Argentine President Reynaldo Bignone today received He Kang, Chinese minister of agriculture, animal husbandry and fishery, who is now leading a Chinese agricultural delegation on a visit here. Meanwhile, Bignone also received agriculture ministers from other countries, who are here attending the 31st International Agricultural, Animal Husbandry and Industrial Exhibition.

He Kang is the first Chinese government minister to visit Argentina since the two countries opened diplomatic relations. The Chinese delegation arrived here on August 8 for a two-week visit to the country and a visit to the exhibition.

He Kang has held working talks with State Secretary for Agricultural and Animal Husbandry Affairs of the Economic Ministry Victor Hugo Santirso on the possibilities of expanding China-Argentina cooperation on agriculture and animal husbandry. He also met with State Secretary for International Economic Relations of the Foreign Ministry Felix Pena yesterday.

RENMIN RIBAO ANALYZES SITUATION IN CHILE

HK130812 Beijing RENMIN RIBAO in Chinese 13 Aug 83 p 7

["News Analysis" by Zhu Manting: "The Turbulent Political Situation in Chile"]

[Text] A "national day of protest" occurred again in Chile on 11 August. This was the fourth of its kind since May. Demonstrators clashed with police in the capital and there were over 100 casualties, reflecting the sharpness of contradictions in Chilean society.

A military junta has ruled Chile for 10 years since taking power in a 1973 coup. In the first few years of its rule the economy revived to a certain extent, production rose quite quickly, and the political situation was relatively stable. At the end of the 1970's, there was an upsurge of democratization in Latin America, and military governments in many countries expressed willingness to hand over power to civilians. The Chilean military authorities too adopted a constitution in 1980, but set 1989 as the date for restoring the constitutional system. In the past 2 years, this country's economic situation has deteriorated rapidly, its foreign debt has soared, production has declined, and many enterprises have gone bankrupt. Last year Chile's GNP fell by 13 percent, the biggest fall of any Latin American country. The unemployment rate, at 20.3 percent, is also the highest in Latin America. This has aroused widespread discontent with the present policies. The demand to change the economic system and restore democracy at an early date has gradually become the common cry of all strata of society, and the political situation in Chile has become turbulent in consequence.

Nationwide protest activities started in May. On 11 May, the influential Chilean Confederation of Copper Workers launched a "national day of protest" drive, which gained support and response from 18 trade unions and masses in certain other strata. After that, all trade unions in the country set up a "national workers command," to lead the protest struggle. Trade union leaders declared that henceforth they would stage periodic monthly protests until the authorities listened to the workers' views. Hence, on 14 June and 12 July, Chilean masses of various strata held "national days of protest," heedless of suppression and obstruction by the authorities. During these activities, apart from the demonstrations that broke out in some cities, people also used other methods to express their discontent with the authorities. In particular, in the evenings, the protest activities reached a climax, and the inhabitants either banged on empty pots and pans in their homes or sounded their car horns, resulting in an "empty pots and pans demonstration" on quite a scale.

The biggest of these "national days of protest" was that in June. On that occasion the trade unions handed the government a letter of opinion explicitly demanding the restoration of democracy, including an end to government special powers, a revision of the labor laws, freedom of the press, and permission for political exiles to come home. The authorities' move on the day after the day of protest in arresting the protest organizer, Rodolfo Seguel, chairman of the National Workers' Command and also of the Confederation of Copper Workers, caused anger among workers and sparked off labor trouble on an unprecedented scale. A few hours after the arrest of Seguel, workers at the country's main copper mines at Salvador, Teniente, Andes, staged a warning strike, despite a government ban, demanding the release of Seguel. Following that, the national workers' command and the land transport committee led on 23 June the first nationwide general strike in the 10 years since the military government took power. The participants included miners, dockers, oil and coalmine workers, bus and taxi drivers, truck owners and so on. Although the government imposed news censorship, this strike had great influence at home and abroad.

Facing this situation, the Chilean authorities have taken a tough stand. The president issued statements after the first and second national days of protest, condemning these activities. The Chilean authorities have arrested many trade union leaders, sacked thousands of copper miners who took part in strikes, and also mobilized military police during the days of protest. All this, however, has failed to make the Chilean people abandon their struggle. Judging by the three previous national days of protest, the sectors taking part in and supporting these activities have become more and more extensive.

The first protest drive was mainly organized by the Confederation of Copper Workers. The second was organized by the National Workers' Command, which had been jointly set up by the trade unions, and the third and fourth also had the participation of the political opposition. Foreign press agencies held that this was an "open challenge" to the Chilean authorities. At the same time, the protest day drives in the country have gained active response and support from political and labor figures living in exile. According to reports, Chilean exiles in the United States, Europe, and Latin America have also held demonstrations on the protest days. The Chilean authorities are under pressure from all sides.

At present, the Chilean authorities have by no means decided on a fundamental change in policy; however, due to the protests of people of all strata, and especially the struggle of the copper miners, which directly affects the national economy, they have had no alternative but to relax certain policies. For example, they have relaxed censorship on the publication and distribution of books; they have allowed a number of political exiles to return; and they have released a number of arrested trade union and political leaders, and have also increased the proportion of civilians in the cabinet, in a reshuffle carried out on 10 August. However, public opinion inside and outside Chile universally holds that these measures are far from cooling popular discontent; the protest drive of people of all strata may break out again; and the internal situation in the country will remain tense.

COMMENTATOR VIEWS SITUATION IN RURAL AREAS

HK150830 Beijing RENMIN RIBAO in Chinese 15 Aug 83 p 1

[Commentator's article: "The Better the Situation, the More Must We Keep Clear Heads"]

[Text] The situation in rural China is getting better and better. The whole country is agreed on this point, and everyone feels happy and encouraged by this. However, the question of how to correctly view the fine rural situation has not yet been solved very well among certain cadres, especially some rural cadres.

At present, there are in general two kinds of situation's. In the face of the fine rural situation, the comrades in many places are able to keep clear heads by seeing both the good aspects and the existing problems. They are currently continuing their efforts and working in a conscientious way without the slightest relaxation to promote this fine rural situation. Jinhua Prefecture in Zhejiang Province, which we report on today, comes under this category. The comrades in some other places have become slack and complacent in varying degrees in the face of the fine rural situation. They put too much stress on the favorable factors and too little on the existing problems; they put too much stress on the achievements already scored and too little on the long-term arduous tasks in the future. They have slowed down the pace of advance and even come to a halt. Although there are not many places like this, this situation merits our full attention.

The better the situation, the more must we keep clear heads. This is an important experience and lesson for which we have paid a tremendous price over the past several decades. Recalling the several great upheavals in the rural areas since the founding of the state, it seems that all of them started to occur at times when the situation was very good. Without a clear head, one cannot make a realistic and scientific evaluation of the objective situation, with the result that one does some stupid things that violate objective laws; this ruins the excellent situation and leads to a big drop in agricultural production. An important reason why great achievements have been scored in China's agricultural reforms in recent years is that the Central Committee has summed up the experiences of history and cautioned the whole party to be humble and prudent, to refrain from arrogance and impetuosity, and to advance in a cautious way, step by step, in carrying out agricultural reform. This profound reform, centered on establishing and perfecting the system of contracted responsibilities with payment linked to output, has been in existence for 5 years, and its progress looks slow; but actually it has been rapid, and during these 5 years agriculture has maintained sustained growth and the situation has improved each year.

The best way to keep clear heads in the face of the fine situation is to go into reality to carry out investigations, look more at the practical problems that exist, and listen more to the cries of the masses. We can clear our heads by truly going deep into reality and grasping the actual situation at the grassroots. Jinhua Prefecture is an advanced area that has done relatively well in agricultural reforms in recent years. The comrades there were not content with the successes already gained; in accordance with the demands of Central Committee Document No 1, they went into the grassroots to investigate and thus saw many defects and problems in work. For instance, the peasants' feelings regarding production were not steady enough, and fear of policy changes had not been completely eliminated; apart from agriculture, the system of contracted responsibilities had not yet been set up in forestry, animal husbandry, fisheries, or in the exploitation of barren mountains and rivers, and needed to be developed in depth and breadth; work had not been done carefully enough on some communes and brigades where the contracts undertaken were not perfect and phenomena even existed of "putting on a show," and so on.

After seeing these problems, they reached this conclusion: "The agricultural reform in Jinhua Prefecture has only just started, and we must get a really tight grasp of consolidating and perfecting the system of contracted responsibilities, without the slightest slackening." This realistic view was precisely derived from investigation. The system of contracted responsibilities with payment linked to output has not long been established in most of the rural areas; problems exist both in advanced and backward areas, and various new systems and new methods, including the contract system, have either not been established or have yet to be perfected; many new and still more complex problems are facing us. Only by studying and solving without the slightest relaxation the various new problems that crop up on our advance, and working hard to stabilize and perfect the responsibility systems, can we further bring into play the vast potential of the system of contracted responsibilities with payment linked to output.

The party Central Committee's "A Number of Questions in Current Rural Economic Policies" (that is, Document No 1) is a summation of the basic experiences in agricultural reform over the past few years; it is an important document guiding current rural work. Taking this document as its weapon, the Jinhua Prefectural CPC Committee has gone to the grassroots to investigate and study, inspect work, check on deficiencies, and grasp the weak links. This method of work is well worth advocating. Document No 1 was transmitted more than half a year ago now; how have certain policies stipulated in the document been implemented? What things have been done, and what things have not yet been done? What new problems have been encountered in practice? The document explicitly lays down that stabilizing and perfecting the agricultural production responsibility systems remains the chief task in current rural work; how has this work been grasped? It seems that all areas need to act like Jinhua prefecture and treat Document No 1 as a mirror and a ruler with which to view their own work and measure its defects. This will help certain comrades to clear their heads still more and thus work better.

In advocating that people keep clear heads in the face of the fine situation, we certainly do not mean to throw cold water on the soaring enthusiasm of the cadres and masses; on the contrary, we advocate this precisely to protect their enthusiasm. Neither sticking to old ways nor blind optimism accord with reality or the masses' interests, and will in the end damage their enthusiasm. By keeping clear heads and acting as cool promoters we can better preserve and consolidate the masses' enthusiasm. Of course, it is also necessary to oppose inability to perceive the fine situation that has emerged, lack of confidence in agricultural modernization, failure to advance when we should, hesitancy, and bungling. The correct attitude should be: "Emancipate the mind a bit more, be a bit bolder in reform, and do work a bit more soundly." We should continually get to know the new situations, sum up the new experiences, solve the new problems, and guide the continued progress of agricultural reform in a thoroughly sound way.

RESEARCHER VIEWS CHARACTERISTICS OF MODERN WAR

HK150726 Beijing WEN ZHAI BAO in Chinese No 96, 5 Aug 83 p 8

[Report on article from SHIJIE ZHISHI No 15: "The Characteristics of Modern Warfare"]

[Text] An article by Zong He, a researcher of the Beijing International Strategic Problems Institute, says that modern warfare mainly refers to waging war by the use of modern weapons, technology, and science. Its characteristics are as follows:

1. Apart from launching large-scale ground attacks, the two antagonists must also launch large-scale air attacks in conjunction with the ground attack in order to destroy strategic targets deep in the enemy rear, and primarily the enemy's long-range attack weapons.

2. The opening phase of the war is briefer and its scale larger than before, with a greater likelihood of surprise. The effects of this phase are far-reaching, and so its importance is far greater than previously.
3. The scope of the war is expanded; it includes not only the entire territory of the two antagonists but also possibly the whole world. It is very difficult to distinguish between the front and the rear areas in the war.
4. The mobility of the armed forces is greater than before. The armed forces of the developed countries are now basically all mechanized and mobile. In general, the war is not fought on static fronts. There is extremely great strategic mobility.
5. There is greater reliance than before on rear services and supply. In modern war, the destruction rate of weapons and equipment is high, damage to transportation and communications is unprecedentedly severe, and casualties are unprecedentedly great. Greater replenishment supplies of war materials and equipment are needed.
6. Organization and command are complex and difficult. Due to the extensive use of computers in the command organs, an automatic control and command system is formed; the increase in methods of reconnaissance speeds up the dissemination of intelligence; and the development of sophisticated electronic equipment intensifies electronic confrontation. Hence, modern warfare could in some senses be described as electronic warfare.

Although the use of modern weapons has an ever greater influence on the course of the war, man remains the main factor in deciding victory or defeat.

RENMIN RIBAO ON CONTROLLING CAPITAL CONSTRUCTION

HK121501 Beijing RENMIN RIBAO in Chinese 8 Aug 83 p 5

[Article by He Jianzhang: "Strictly Control the Scale of Capital Construction"]

[Text] At the First Session of the Sixth NPC, Premier Zhao Ziyang pointed out that it has been impossible to control the overall scale of capital construction, which resulted in overlapping or blind construction, and it has been difficult to check the growth of funds for consumption. He added: "Under no circumstances should this state of affairs be allowed to continue. Otherwise, the country's key construction projects cannot be carried out, normal economic order and the appropriate ratios restored through painstaking efforts may be upset again, the major policy decisions and measures of the central authorities may not be implemented, and the progress of China's socialist modernization may be impeded." We must take into full account the importance and urgency of these matters and adopt resolute measures to solve them.

Early in 1957, Comrade Chen Yun said: "The scale of construction must match the financial and material resources of the country. Whether it matches or not is a line or demarcation that determines the stability of the economy." The national income of China in 1982 was 365.8 billion yuan more than that in 1952, an average annual increase of only 12.2 billion yuan in the 30 years. Even though the growth from 1979 to 1982 was relatively fast, the total increase in the 4 years amounted to 123.7 billion yuan, an average annual increase of only 30.9 billion yuan. Of this 30.9 billion yuan, 70 percent was used for the consumption of the newly increased population, improving the people's standard of living, and for social and collective welfare services. Only 9 billion yuan, that is, 30 percent of the total, was left for accumulation, and what is more, part of the 9 billion yuan belonged to the units of collective ownership in rural areas and cities and towns. Therefore, only a small amount was invested in capital construction.

However, in the past 20 years or so, a sudden increase in investment in capital construction, by over 10 billion yuan a year, occurred on four occasions, that is, in 1958, 1970, 1978, and 1982. This brought forth the following results: 1) accumulative rate rose by a big margin at the expense of consumption; 2) there were no funds for developing agriculture and light industry (because most of the investment in capital construction was used for developing heavy industry); and 3) the volume of utilization (accumulation plus consumption) exceeded the production quotas in the national income, which caused financial deficits. In a word, the overexpansion scale of capital construction led to disproportion in the major relations of the national economy, a stained situation in market supply, inflation, soaring prices, and no improvements in people's standard of living, which finally compelled us to carry out readjustment. What merits attention is how such a phenomenon could occur again and again within a short period of only 20-odd years. How can we fundamentally eliminate the possibility of its reoccurrence?

Viewed from subjective factors, the expansion of capital construction is due to overanxiety for quick results in our guidelines for economic construction and to blindly seeking high speed in production growth which is beyond our actual capabilities. For instance, the "Great Leap Forward" in 1958, "bring about a new leap in the national economy" in 1970, "seize the time delayed by the 'gang of four'" in 1978, some departments, localities, and enterprises indiscriminately developing new projects and building duplicate items regardless of the steps and priorities stipulated by the CPC Central Committee which took place in 1982, and so on. To be sure, all these proceeded from good intentions, but they were divorced from reality. As things went contrary to our wishes and more haste brought less speed, we had to spend more time on carrying out readjustment. Consequently, our speed became slow instead. If the three previous periods of overinvestment were brought on by "leftist" economic guidelines, why is it that in recent years, after the CPC Central Committee has corrected the erroneous trend, such problems are still occurring? In addition to the remnant influence of the "left" deviation, I believe, the objective cause is that there are defects in our economic system. Therefore, in order to curb the blind increase of investment in capital construction, we must simultaneously solve ideological problems of understanding and the problems in the economic system as well.

There was a high degree of centralized management of capital construction in China before 1978. Of the total amount of investment in capital construction, except in some years, state investment constituted over 80 percent, and the highest amount in a year even reached 94.5 percent. Therefore, the swell in capital construction before this period, mainly the expansion of investment in the budget, was caused by the "leftist" guidelines. At that time the principal problem in the economic system was that the projects and scale of capital construction were usually decided by a few people instead of by soliciting opinions from experts and the masses, carrying out feasible research, stressing overall balance, and running affairs according to the procedures in capital construction. Moreover, the funds for capital construction were gratuitously allocated by the financial departments in the past, which encouraged various departments and localities in striving to get more investments and projects. Furthermore, there was no strict assessment or rewards and punishments for the deciding of projects, checking of construction progress, and examining project results after they were put into operation. All these have undoubtedly encouraged the expansion of capital construction.

The sudden expansion of investment in capital construction in 1982 occurred under a different situation. After the 3d Plenary Session of the 11th CPC Central Committee, the enterprises were given more power of decision and the system of retention of profits by enterprises was implemented.

In the financial field, we practiced the system of "settling separate expenditure and income accounts on the contracted basis at different levels" between the central government and the locality, that is, "each cooking food from a separate stove." As a result, the localities, departments, and enterprises had more funds and materials for disposal, and the right to invest in capital construction. Viewed from the actual circumstances of each locality, department, or enterprise, it seemed that these measures in construction were necessary and could bring about good economic results. However, this left the central government with limited amounts of money for key construction projects and caused overdecentralization of funds, which made it difficult to control the scale of capital construction. State revenue dropped from 37.2 percent of China's national income in 1978 to 25.5 percent in 1982. While the state revenue dropped, extrabudgetary funds markedly increased from 37.1 billion yuan in 1978 to 65 billion yuan in 1982, an increase of 75.2 percent in the 4 years. In 1982, the localities and enterprises used the funds in their hands for capital construction projects, which made up over 80 percent of the 11 billion yuan overinvestment. Of this, the funds raised by the localities and enterprises amounted to over 5.2 billion yuan and domestic loans over 3.7 billion yuan. In contrast, the scale of capital construction investment by the state was curtailed. It dropped from 39.59 billion yuan in 1978 to 20.8 billion yuan in 1981 and only went up to 27.7 billion yuan in 1982. Budgeted state investment in capital construction dropped from 56.8 percent in 1981 to 49.8 percent in 1982. It can thus be seen that the expansion of investment in capital construction in 1982 was due to the overdecentralization of financial and material resources and the getting out of control of the self-raised and loan investment funds in capital construction.

Premier Zhao Ziyang emphatically pointed out: "There must be a high degree of centralized and unified management of capital construction as a whole, with the State Planning Commission responsible for ensuring an overall balance." Our present capital construction is already on a fairly large scale. The problem is that state budgetary investment in key construction projects in the fields of energy and transportation has failed to reach the amount planned, while capital construction by localities, departments, and enterprises using their own funds or different kinds of loans is out of control and construction of ordinary processing industries and nonproductive enterprises far exceeds the plan. On the premise of exercising strict control over the overall scale of capital construction, we must concentrate the resources of the whole country for building a group of modern backbone projects and transforming a number of present key enterprises and thereby lay a solid foundation for China's economic growth. Certainly, in carrying out key construction projects, we must act according to our capabilities, make comprehensive plans, and take all factors into account. We must avoid committing the past mistakes of being impetuous and giving prominence to key projects and squeezing out ordinary ones. Generally speaking, key construction projects call for enormous investment and entail a long construction cycle. As Marx said, they consume large amounts of means of production and subsistence for a considerably long period, but cannot provide any useful products. If we undertake too many key construction projects, there will be no funds to expand the present production and to improve the people's standard of living, which will affect the coordinated development of the various departments of the national economy. This is a lesson we must always bear in mind. In order to prevent the overexpansion in scale of capital construction and giving prominence only to key construction items, besides achieving an overall balance in financial and material resources and carrying out feasible research on key construction projects, we must also try to find a method that can restrict the overinvestment. In this respect, I think Comrade Sun Yefang's proposal merits attention.

In an article written in 1981, he pointed out: "In order to balance both the financial resources and material resources, and fundamentally to solve the overextension problem of capital construction, I suggest that the state set up a system such as the following: Besides the units undertaking projects having to sign contracts with construction units, that is what we usually say, that A and B must sign a contract including the completion date of the project, units undertaking projects must also sign contracts with suppliers on the supply of equipment before work is allowed to begin. After the projects are put into operation, they must also sign contracts on production, supply, and marketing respectively with the units supplying power and raw materials and with the marketing units." Any party violating the provisions of the contract must compensate for the losses. If the enterprises manufacture and market the items by themselves, they should assume administrative responsibility for the results of their operation to the higher authorities that have approved the items. Comrade Sun Yefang's proposal was particularly aimed at the hasty decisions made on capital construction projects which did not properly fix their supply, production, and marketing or held up work in the course of construction for lack of material, which delayed the completion date of the project; at those enterprises that did not have enough work to do after being put into operation due to shortage of power and raw materials; and also at those enterprises that were forced to stop production or to do other work because their products were unmarketable. Therefore, we must be resolute and never allow any of the projects, including the key construction projects, to start work before they have signed the above mentioned contracts. Only in this way can we genuinely "stop all the loopholes in planning," and make this an effective method for controlling the scale of expansion of capital construction.

The central government on the one hand and the provincial, city, and autonomous regional authorities on the other should exercise centralized and unified management over capital construction. Those above-norm projects that cater in their production, supply, and marketing to the needs of the whole country must be examined and approved by the State Planning Commission. Extra-large projects must be examined and approved by the State Council. Those below-norm projects that cater in their production, supply, and marketing to the needs of the localities can be examined and approved by the provincial, city, and autonomous regional authorities, and must be reported to the State Planning Commission for recording. When necessary, the State Council and State Planning Commission will interfere in the matter. All localities and enterprises are strictly prohibited from starting new projects at will. Even in capitalist countries, a new enterprise must apply for a license to start business and be approved by the authorities according to needs, not to mention China, which is practicing a socialist planned economy.

In order to prevent the unnecessary duplicate items and blindly developed projects, which make it difficult to control the scale of capital construction, it is essential to improve the financial system of "setting up separate accounts" linked with the method of substituting taxes for delivery of profits. All enterprises should pay income tax to the central government according to relevant stipulations, whereas the central government will allow the retention of a certain amount by the localities. Local retention should be used mainly for municipal construction and not for building new enterprises. Local government will no longer meddle in enterprise management. From now on, except for a few enterprises such as railways, posts and telecommunications, civil aviation, war production, and so on, the ordinary enterprises will gradually be managed by the areas with cities as their centers. Such areas will have the characteristics of economic zones. They are not restricted by departments, nor separated from administrative divisions. They can rationally plan the activities of enterprises and institutions within the areas and can form an economic network centered on achieving better economic results.

In this way, the departments responsible for professional work of the central government and the localities can extricate themselves from the management of specific affairs of the enterprises and concentrate their efforts to carry out coordination between the areas, make unified planning for various trades, and organize the activities of coordination and joint cooperation between the areas.

Another important measure for controlling the scale of capital construction is appropriately to readjust relations between central and local revenues and the funds retained by enterprises. Tax rates should be adjusted and new categories of taxes levied. National income should be divided into central revenue, local revenue, and revenue to be shared by the central and local governments according to the categories of taxes, so as to improve and stabilize the relation of distribution between the state and the enterprise and between the central and local governments, and to ensure the steady growth of the central revenue. In the distribution of the increased profits of the state enterprises, we must ensure that "the state enjoys the largest share, the enterprise a smaller, and the individual smallest," so that the state can amass necessary financial resources to carry out key construction projects. Meanwhile, we must also avoid overdecentralization of financial resources and overspending of extra-budgetary funds and investment, which may affect state planning. In addition, we must maintain the seriousness of state planning and make certain laws and regulations concerning capital construction. We must also act strictly in accordance with capital construction procedures, establish the responsibility system at each level, implement the system of paying charges for the use of funds, and so on.

We have emphatically mentioned above how to ensure, from the angle of the economic system, a high degree of centralized and unified management of capital construction. In order to ensure the smooth progress of the capital construction plan, it is also necessary to use economic levers. For many years in the past, the price of our fuel and raw materials was a bit too low, and those of processing industries a bit too high, which encouraged the blind development of processing industries. The excessive growth of heavy industry in recent years was mainly that of engineering industry. As a matter of fact, the growth of basic industries such as fuel, raw materials, and so on was not at all fast, which caused an overall strained situation in energy resources and raw materials. Therefore, we must, at an appropriate time, reform the price management system and readjust the irrational price system. Furthermore, the state invested a total amount of 48 billion yuan in housing for city staff and workers in the last 5 years. The newly built residential houses occupied an area of 350 million square meters. These residential houses were distributed to the staff and workers according to the supply system. The rent could not even offset the maintenance charges. The more the state invested in building houses, the heavier burden it had to bear.

Meanwhile, the balance of urban and rural savings deposits amounted to over 70 billion yuan and the people had some tens of billions of yuan in cash at hand, which was a great pressure on the markets. Many comrades suggested that the commodity system be practiced in residential housing. At first the houses can be sold to the staff and workers at a preferential price according to a certain proportion of the actual value. And then, with the increase of the staff and workers' income, the commodity system in houses can be practiced, so that the building trade will also become an industrial department that can gain profit. Consequently, the state can recover part of the cost and by remitting the amount for maintenance charges, the state can build more residential houses. Meanwhile, the staff and workers can also help reduce the pressure on markets by using part of their savings deposits and cash at hand to purchase the houses. This is killing several birds with one stone; why should we not go ahead with it?

In carrying out capital construction, including the building of residential houses, we must gradually practice the method of contracting investment or inviting tenders to change the method of settling the accounts of building products only according to their actual cost, which can gain no profits or taxes, or gain a little profit. Such a method can only encourage unlimited spending of money and cause appalling waste. As a result, the cost of capital construction becomes higher and higher, whereas the state will have to expend more without getting any income. At the same time, we must also resolutely curb the abnormal practices of indiscriminately exacting charges from capital construction projects and "mass seizing and spending from capital construction" (this is also an important factor for overinvestment in capital construction). Tax revenue can also play an important role in preventing overinvestment in capital construction. At present, besides levying a certain amount of taxes on extrabudgetary funds and capital construction that exceeds the planned quotas to develop the key projects of energy and transportation, we can levy taxes on key projects and nonkey projects, and those short-supply products and over-supplied products at different rates, as encouragement or restriction. Banks should also exercise centralized and unified management over the loans for capital construction. In granting loans, we must not merely lay stress on the time limit due for repayment, but must act according to the state plan. The level of interest rate fixed by the state can be flexibly handled by the banks in accordance with the state plan, so that it can be advantageous to controlling the scale of capital construction and supervising the progress of capital construction.

Provided our economic system is relatively rational and that we are good at utilizing economic levers, we will certainly be able to muster the necessary financial and material resources for key construction projects and to fully arouse the initiative of the localities and enterprises in enlivening the economy, promoting the coordinated development of production and construction, and ensuring the sustained and steady growth of the building of socialist modernization in China.

ARTICLE ON YU GUANGYUAN'S ROLE IN ECONOMIC REFORM

HK151101 Beijing RENMIN RIBAO in Chinese 10 Aug 83 p 5

[Article by Qi Xiangyan: "An Economist Who Is Standing in the Forefront of Reform"]

[Text] The comrades in the academic and theoretical circles all know Comrade Yu Guangyuan well. The most striking characteristic of this economist all these years is that he has made unremitting efforts in exploring the reform and has done a lot of work for it. In this article, I can only present some fragments of his theoretical researches and practical activities in the reform.

Exploring Guiding Ideology in Economic Construction

In the first 2 years after the smashing of the "gang of four," people still did not have a full understanding of the influence of the "leftist" guiding ideology in economic work. There was still the profound influence of such ideas as "production for production's sake" and "production for the fulfillment of certain targets." Before the 3d Plenary Session of the 11th CPC Central Committee, an unrealistic slogan -- "Creating 10 more Daqings" -- was put forward in order to attain unrealistic targets. As a result, our national economy, which had just begun to be rehabilitated, suffered another setback.

Comrade Yu Guangyuan held that if we did not criticize the fallacies of the "gang of four" and did not eliminate its pernicious influence, our reform would not further advance and the cause of socialist construction would naturally follow a tortuous path.

Since 1978, he has repeatedly stressed the importance of acting in accordance with the economic law. The article he wrote in September 1979, entitled "On the Question of 'the Theory of Socialist Economic Target,'" clearly pointed out that the target of the socialist economy should be "increasing as much as possible the production of the ultimate products within the permitted limits to satisfy the people's needs," and should not be anything else. Thus, an important question was raised on changing the guiding ideology of economic construction which existed in the previous years.

He particularly stressed the social position of the masses of people, who are masters of their houses in the socialist society. Responsible cadres of all departments and localities who are in charge of economic work must place before everything else the material and cultural needs of the masses of people. He held that being clear about the purpose of socialist production in our country is of great significance in striving for the realization of the four modernizations. He pointed out that it is necessary to take the increase of the production of the ultimate products as the ultimate aim of all our economic activities, that "in making plans and arrangements for the entire social production, we must proceed from increasing the production of the ultimate products," and that "it is necessary to take the increase of the ultimate products as a criterion in appraising our economic achievements." At that time, being encouraged by his exemplary role and with his active participation, RENMIN RIBAO and other Beijing papers, in order to sum up the experiences and lessons in China's economic construction in the previous 30 years, started a discussion on the purpose of socialist production. This discussion attracted wide attention in various fields. Although the discussion was suspended later, he never gave up his study on the theory of the purpose of socialist production and never changed his views. In November 1980, the discussion on the purpose of socialist production was restarted. Comrade Yu Guangyuan then wrote 13 articles to discuss this question. The characteristic of these articles was that they were all very realistic. He said that the discussion must be linked with the readjustment of the national economy, with the reform, and with summarizing the experiences in economic construction so that the theory of the socialist economy in the political economy can provide a theoretical basis for working out principles and policies, economic plans, and measures for our economic construction and can play a good role in the economic reform.

Reform Is a Historical Task for the Socialist Period

Comrade Yu Guangyuan has made an earnest study of scientific socialism and the socialist theories in political economy. He has expounded and proved in theory that the present reform is a historical task for the socialist period.

Socialism is a new social system established after overthrowing capitalist rule. It is different in nature from the previous exploitation systems in human history. The socialist system envisaged by Marx and Engels was one established on the basis of highly developed capitalism. However, socialist revolution has so far succeeded only in some previously undeveloped countries. For a long time to come, these socialist countries have continuously to explore and look for a socialist economic system suitable for the development of their productive forces. They have to readjust the production relations which are not suited to the development of productive forces and the superstructure which is not suited to the economic base. This is a problem all socialist countries have to solve during the period of socialist construction. It is also a long-term task. It is fully reasonable to say that this is a historical period in the development of socialism.

The history of the development of the international communist movement shows that in all socialist countries, after the victory of revolution, people are still unable to make a detailed and profound study of the socialist economic system. For this reason, the economic pattern of the first socialist country was easily accepted by the other socialist countries when they were founded. However, with the lapse of time, its shortcomings and defects have become obvious. At the beginning of the 1950's, Yugoslavia began, for the first time, to adopt resolute measures to cast off the yoke of the Soviet pattern. Then, at the beginning of the 1960's, some economists in the Eastern European countries also began to criticize that pattern in varying degrees and in varying fields. The superiority of the socialist system has been better displayed in those countries which have freed themselves from the yoke of that pattern and have given play to their own strong points. History shows that the struggle centering on the reform of the economic system has been very sharp. At present, most socialist countries are still making explorations and experiments in the reform. However, practice shows that the reform of the economic system is an inevitable and irresistible trend in the development of socialism.

Comrade Yu Guangyuan pointed out in August 1979 that in order to realize the four modernizations, reforms must be carried out in our country, for the current system did not suit the historical task of realizing the four modernizations. In his article "On Certain Theoretical Problems About the Reform of the Economic System" written at the end of the same year, he expounded and proved that the reform is a historical period in the development of socialism and that the realization of the reform of the socialist economic system is a great transformation in production relations, which is of important historical significance after the socialist transformation of the private ownership of the means of production. He held that the reform is an important guarantee for the development of socialist construction. It represents the progress of the country. After the reform is completed, the productive forces in the socialist society will be developed at a much higher speed than those in the capitalist society, and the labor productivity will also be much higher than that in the latter. This will naturally greatly push forward the historical course of replacing capitalism with socialism in the whole world.

Over the past few years, Comrade Yu Guangyuan has attached great importance to the reform. He has been actively supporting and enthusiastically stressing the reform. When some people criticized the reform, saying that it has put things into disorder, he pointed out after careful consideration and analysis that the reform of the economic system was not a cause of economic difficulties. It had played a positive, rather than a negative, role. It was not a serious attitude to suspect the necessity of carrying out the reform on the economic system merely because some problems had occurred in some countries which had practiced such reform of their economic systems. When some people said that during the period of readjustment the reform must be postponed, he emphasized that the reform should not be suspended because of the readjustment, instead, it was necessary to give full play to the role of the reform during the period of readjustment. It was necessary to get rid of all obstacles on the road of readjustment through carrying out the reform. He pointed out that since the old economic system greatly fettered the people's initiative and creativity, the reform of the economic system meant emancipation of the productive forces.

Comrade Yu Guangyuan has fully affirmed the achievements of the reform of the economic system in the past few years. He has particularly set a high value on the contract system in the countryside, holding that it is a new starting point of the real cooperative economy. The contract system has paved the way for the reform. It has given impetus to the all-round reform and opened up a new prospect in the reform.

This is not only of great practical significance but also of great theoretical significance. The theoretical workers must keep up with the pace of the reform. Otherwise, they are bound to fall behind in our time.

Undertake the Reform With the Marxist Stand, Viewpoint, and Method

When talking about the reform of the economic system, many comrades often raise the question: "Which country's pattern do you propose that we should learn from?" Comrade Yu Guangyuan does not like the opinion of learning from the pattern of a certain country. He said that it is not correct to mechanically copy the economic system of a country or its experiences and methods. Each country has its specific and concrete conditions. An economic system may be suitable for one country, but may not necessarily be suitable for another country. We must regard foreign experiences as reference materials and, in light of China's concrete conditions, sum up our own historical experiences and ponder and design the socialist economic system with Chinese characteristics.

Comrade Yu Guangyuan holds that in order to carry out the reform of the economic system, it is necessary to work hard to develop Marxism and to study the concrete situation in our country. The reform of the socialist economic system is a new thing in world history. The Marxist works cannot provide us with ready answers in the theory of socialist systemic reform. The Marxist theory is vivid and rich in content and can be continuously developed. Today, the Marxist theory, which is faced with the new problem of reform, needs to be further developed. We must, with the Marxist stand, viewpoint, and method, make an arduous and creative study of the history of the development of socialist countries and the objective course of development, just as Marx and Engels did when they were studying the theory of scientific socialism. Provided we emancipate our minds, do away with blind faith, make conscientious study and bold explorations, we will surely reach a scientific conclusion on some major problems. He particularly emphasized that a solid foundation should be built for the reform. It is not only necessary to study social sciences, but also necessary to study natural sciences. It is not only necessary to work hard in the study of the old branches of learning, but also to work hard to explore new branches of learning. It is necessary to study and develop scientific socialism, political economy, productive force economics, technological economics, national territory economics, department economics, and the science of management. Working hard to develop Marxism means to draw scientific conclusions and to discover the laws on some new and popular problems we have met in the reform through an assiduous and thorough study.

Comrade Yu Guangyuan also pointed out that it is necessary to work hard to study the concrete situations in our country -- that is, to make a scientific criticism of the current economic system and to analyze the subjective and objective conditions of our country in carrying out the reform of the economic system. Making criticism does not mean to negate everything but means to take the current system as the target of study and make a scientific analysis of it. Carrying out the reform does not mean to discard everything but means to find out what is good and correct in the present system, which should be reserved, and what is unfavorable to the development of the productive forces, which should be discarded. It is not only necessary to make a qualitative analysis but also a quantitative analysis. This will provide a basis for the reform. Only when the disadvantages of the present system are fully exposed can we work out a correct plan for the reform in light of the concrete situations.

Over the past few years, he has paid serious attention to going deep into the realities of life and making investigation and study. He holds that in the reform no conclusions can be drawn and no plans can be worked out before investigation and study are made. The plans must first be tried at selected experimental units and judged by practice. Only when we insist on taking practice as the only criterion of truth will we be able to avoid detours and to achieve successes in the reform. He also laid particular emphasis on summing up the experiences of the masses in their practical activities in socialist construction, holding that this is the source of the development of the Marxist theories, and that in this way, the reform will be led onto a correct road.

Understand the Arduousness, Complexity, and Imperativeness of the Reform

Comrade Yu Guangyuan has repeatedly stressed that it is necessary to fully recognize the arduousness and complexity of the reform, and to fully estimate the range and quality of the reform carried out in China, which is a large country. There are many shortcomings in China's current system. These irrational phenomena were not brought into being in one morning or evening. They have complicated roots and causes in history and society. The reform of the current system has to go through the following stages: to look for a new economic system which suits the further development of the productive forces; to put it into effect; to examine whether the selection is correct in practice; to overcome various difficulties and to get rid of all obstacles in implementing the new system; and to constantly sum up our experiences in practice so as to perfect and further develop it. It will take a long time to go through all these stages. So, we must avoid hastiness. The reform, which is a historical task for the period of socialist development, is more arduous and complicated than the socialist transformation of the means of production.

He holds that the reform of the economic system must be carried out in an all-round and systematic way. It is necessary to work out an overall program for the reform, including both long-term and fundamental plans conforming to principles, and plans for partial and specific reforms. When the overall program is carefully worked out, it is also necessary to work out concrete measures to realize the reform. Only when suitable measures are worked out can the entire reform be carried out smoothly. In other words, in order to carry out the reform, we must make sufficient preparation. On the other hand, we must also recognize that the reform is imperative. Some shortcomings of our system and the superstructure have seriously hampered the development of our economy. Therefore, the pace of the reform cannot be too slow. Some partial reforms which can be carried out right away should be carried out as soon as possible or should be carried out in some experimental units within certain limits so as to attain experiences and create conditions for the large-scale and overall reform. Our purpose is to carry out an overall and systematic reform. So we must not rest content with the realization of the partial reforms. But we must attach great importance to these partial reforms. We must make every reform a force to promote the development of production so that the people's living standard can be gradually improved on this basis.

Comrade Yu Guangyuan also pointed out that we must attach importance to the experience of combining principles with flexibility in the economic reform. The reform must be carried out under the guidance of clear and sound theories. We must be firm and unshakable on those questions which have already been confirmed by science, and let one hundred schools of thought contend on those which have not yet been confirmed by science so as to find a way to solve them through continuous explorations. As to those which have been confirmed by science but still have not yet been widely accepted by people, we must make efforts to publicize them so as to achieve a unified understanding. With sound theories, we will be able to avoid blind action in the reform and remain unshakable on some fundamental questions, and will be able to make the reform a steady and constant practice. However, the sound theories must be combined with flexibility in action.

For example, some systems should be changed according to theory, but the subjective conditions are still not ripe. Thus, the reform of these systems can be postponed if this will not affect the general situation. When we adopt this method in carrying out the reform, which is an arduous task, we shall be able to avoid unnecessary economic losses due to ideological constipation.

Over the past few years, Comrade Yu Guangyuan has made realistic investigations and scientific research and conducted propaganda and agitation for the reform. He has sponsored and organized many associations and research institutes which have done a lot of work in the investigation of the realities and in the research and discussion on some theoretical problems of the reform, and which have organized, trained, and tempered a contingent of Marxist theoretical workers. We should learn from Comrade Yu Guangyuan his spirit of devotion in the reform.

YU GUANGYUAN REPORTS ON SCIENTIFIC DEVELOPMENT

HK160222 Xining Qinghai Provincial Service in Mandarin 1100 GMT 15 Aug 83

[Text] The famous economist Yu Guangyuan delivered an academic report in the provincial people's auditorium yesterday morning. Present were cadres at and above section-level from the provincial departments, scholars and experts from institutes of higher education and research units, cadres at and above regimental-level of the provincial Military District, comrades attending the provincial CPC Committee work conference and comrades taking part in the study meeting on talented people, totaling 1,000 persons. Zhao Haifeng, Huang Jingbo, Zhang Guosheng, Song Lin, and other leading comrades were also present.

Comrade Yu Guangyuan's report was entitled: "The Development of Qinghai Province Must Be on a Firm Scientific Basis." Starting with the topic of what is science, he stressed that man must rely on science in struggling against nature, and spoke on general science and Marxist science. He also gave an introduction to land economics, ecology economics, natural dialectics, futurology, education, the study of talent, the study of economic results, and the study of external economic relations. This report encouraged everyone to investigate and study in connection with reality, scientifically sum up the experiences of construction in Qinghai, make every action scientific and careful, integrate bold spirit with a cautious approach, and make preparations for developing Qinghai.

Comrade Yu Guangyuan has led a land economics investigation group to Qinghai. The group was composed of over 30 persons and divided into 3 groups: water conservation; industrial mineral resources; and comprehensive agriculture. The group has carried out over 10 days of investigations in the Qaidam Basin and has visited Delingha, Lenghu, Dachaidan, Xixinshan, Qarhan, Golmud, and Dulan.

Comrade Yu Guangyuan and the members of the investigation group left Xining for Beijing yesterday afternoon. A number of experts and scholars will also carry out investigations at Jianghe Yantou.

LI DESHENG URGES STRENGTHENING RESERVE FORCES

OW160513 Beijing Domestic Service in Mandarin 0200 GMT 16 Aug 83

[Text] A grand military review and a war exercise were recently held in Jinzhou City by reserve duty militiamen under the Shenyang PLA units, according to a report in JIEFANGJUN BAO. With high fighting spirits, neat formations, and proficient skills, and braving the sweltering heat, the cadres and militiamen on reserve duty who took part in the military review and war exercise demonstrated the results of what they had gained through training in recent years.

Their performance was praised by the leading comrades of the concerned departments of the Shenyang PLA units, Liaoning Provincial CPC Committee and PLA General Staff Department.

Following the exercise, Shenyang PLA Commander Li Desheng spoke on what he felt should be done in order to further strengthen the building of the reserve forces. He urged everyone to guard against conceit and impetuosity, sum up experience and constantly strive to advance. He called for efforts to raise the level of and create a new situation in the revolutionization, modernization, and regularization of the organizations of Army and militia reserves under the leadership of the party Central Committee and the Central Military Commission.

MEETING ON TAIWAN'S FUTURE HELD IN BEIJING

OW130725 Beijing XINHUA Domestic Service in Chinese 1257 GMT 12 Aug 83

[Text] Beijing, 12 Aug (XINHUA) -- An academic discussion meeting on the "Future of Taiwan" was held in Beijing from 9 to 12 August. The meeting was jointly sponsored by the Chinese Academy of Social Sciences, Beijing University, and Canada's Simon Fraser University and Victoria University.

More than 20 Taiwan scholars residing overseas and mainland scholars took part in the discussion meeting. They included Guo Huangui [6753 3562 0964], Tian Hongmao [3944 1738 5399], Lin Zongguang [2651 1350 0342], Fan Liangxin [5400 5328 0207], Weng Songran [5040 2646 3595], Xiao Xinyi [5135 2946 5030], Chen Bisheng [7115 4310 4563], Zhao Baoxu [6392 1405 3563], Guo Zhaolie [6753 8734 3525], Zheng Lizhi [6774 0536 1807], Huang Weilian [7806 1218 1670], Zhu Tianshun [2612 1131 7311], Kan Nianyi [7074 1819 0231], Zhao Fusan, He Fang, Sheng Yu [4141 1938], Ding Mingnan [0002 0682 2809], Zhou Qing [0719 7230], Liao Qiuzhong [1675 4428 1813], Chen Shicheng [7115 1102 6134], and Li Jiaquan [2621 1367 3123].

Fei Xiaotong, honorary director of Institute of Sociology of the Chinese Academy of Social Sciences and noted scholar, gave a speech at the opening of the meeting. Participants in the meeting increased their mutual understanding and friendship through reading their papers and discussions.

FORUM ON NATIONAL INCOME PLANNING HELD

HK151518 Beijing RENMIN RIBAO in Chinese 12 Aug 83 p 5

["Academic Trends" article by Yu Guanghua: "National Forum To Discuss Planning Work for National Income"]

[Text] Recently, in Shaoxing of Zhejiang Province, the coordination bureau under the State Planning Commission held a national forum on national income planning work.

The participants in the forum held that in order to do a good job in economic work and to improve the quality of planning work, it is necessary to strengthen and improve national income planning work. This is a necessity, both in light of the historical experiences of our country's planning work, and in view of the need to maintain and develop the excellent economic situation in our country at present.

The participants in the forum unanimously agreed that the leading comrades of the State Council had put forth recently a timely and scientific proposal in suggesting that national income replace gross output value as a standard and be made the primary standard in economic evaluation. In contrast to gross output value, national income is more concrete and accurate in reflecting the development speed of the national economy, social economic results, the economic strength of the state, and so on.

With the overlapped portions deducted in calculation, national income can truly reflect the results of social labor. Under present circumstances, actively creating conditions for the adoption of national income as an economic standard and correctly using this standard will help to avoid the tendency of placing undue emphasis on output value and growth rate, and to shift the focal point of the country's economic work to the central task of improvement of economic results.

The participants held that a well-drawn national income plan will play an essential role in the national economy and social development. The national income plan has the following principal functions: 1) It can help to integrate economic growth rate with economic results. 2) It can help us to correctly estimate our national strength and thus to maintain a balance in the development of the national economy, since the increase in national income during a specific period is an important sign of the growth of national strength. In order to keep an overall balance, it is necessary to correctly estimate national strength and make clear how much the national income will increase during the specific period of the plan. Properly drawing up the national income plan and maintaining an appropriate balance between production, distribution, and use of national income will enable the national economy to grow in a planned and balanced way and will help to keep a balance between social production and social demands. 3) It enables the party and the state to take the overall situation into account and provides them with a scientific reference in making strategic decisions in the economic field. 4) It can perform the function of regulation and guidance in the drafting of the plan for national economy and social development.

Seeing that the publicity of the concept of national income has been far from enough in the past, many comrades suggested that it must be strengthened from now on so as to draw the attention of leading people at all levels. On the other hand, a small-sized forum on this field should be held every year according to actual needs.

AGRICULTURE MINISTRY ON SPRING WHEAT HARVEST

OW150831 Beijing XINHUA in English 0801 GMT 15 Aug 83

[Text] Beijing, August 15 (XINHUA) -- Harvesting of spring wheat has begun on 4.7 million hectares in north China, with output to exceed last year's figure of 8.25 million tons, the Ministry of Agriculture, Animal Husbandry and Fishery reported today.

Spring wheat accounts for about one-sixth of the country's wheat-sown area, a spokesman for the ministry said.

China expects to harvest about 82 million tons of summer grain crops -- mainly winter wheat -- this year, over ten percent more than in 1982, according to earlier reports.

Increases in output are expected in China's major spring wheat producing areas of Heilongjiang, Jilin and Gansu Provinces and the Ningxia and Xinjiang Autonomous Regions, except for the Inner Mongolia Autonomous Region and Qinghai Province, which have been affected by drought and low temperature.

Heilongjiang Province, which accounts for more than 40 percent of the country's spring wheat sown area, has extended the area sown to the crop by 133,000 hectares this year. This year promises to be another good one for harvests.

3.85 MILLION TONS OF SUGAR PRODUCED IN 1982

OW131253 Beijing XINHUA in English 1205 GMT 13 Aug 83

[Text] Beijing, August 13 (XINHUA) -- China produced 3,850,000 tons of sugar in the 1982 refining season just ended, registering an increase of 450,000 tons over the previous season, according to the Ministry of Light Industry.

It was China's fourth successive rise in sugar production since 1979. In the 1979 refining season, China produced 2.5 million tons of sugar; output reached 3 million tons in 1980 and 3.4 million tons in 1981. Annual increases averaged more than 400,000 tons between 1979 and 1982 because of high purchasing prices set by the state and a guaranteed supply of food grains to growers. Sugar refining capacity was also expanded to 306,745 tons a day in 1982, 60 percent more than in 1978.

By the end of 1982, China had 32 refineries with a daily capacity of over 2,000 tons and 51 refineries treating 1,000 to 2,000 tons of sugarcane and beets a day, compared with 16 refineries in the 2,000-ton class and 30 refineries in the 1,000-ton class at the end of 1978.

About 60 percent of China's sugar is used in food processing, which grew at an annual rate of 10.4 percent between 1979 and 1982.

Some sugar still had to be imported in spite of the production increases, ministry officials added.

The officials said they expect the country to produce even more sugar in the 1983 refining season.

NATIONAL FORUM CALLS FOR IMPROVED COAL TRANSPORT

OW140415 Beijing XINHUA Domestic Service in Chinese 0107 GMT 8 Aug 83

[Excerpts] Shijiazhuang, 8 Aug (XINHUA) -- To fulfill or overfulfill this year's task of quickly transporting coal allocated under a unified state plan so as to meet the needs of the various economic departments and the people in their daily life was the main topic discussed at the third national meeting on coal transport and marketing which ended today.

Coal allocated under a unified state plan is shipped mainly to supply large power-supply networks, big cities, and enterprises that are very important to the national economy. Therefore, the fulfillment of the task of transporting such coal has a great impact on industrial and agricultural production and on the people's livelihood.

Despite numerous objective difficulties in the first half of this year, more than 179 million metric tons of coal allocated under unified state plan were supplied to consumers throughout the country thanks to the close cooperation among the coal mining, railway, and transportation departments. This amount was 4.78 million tons more than was supplied in the same period last year, and it basically met the needs of consumers. However, over 2 million fewer tons of coal were transported in the first 6 months of this year to the two traditionally energy-deficient regions of northeast and east China. As a result, some enterprises in these regions began to feel the pressure of a coal shortage as their stocks declined.

In order to fulfill this year's coal transportation task more successfully and to ensure that there is sufficient coal for production, livelihood, and for use in the coming winter, the meeting proposed that the following measures be taken:

The meeting called on coal administration departments and coal mines in various provinces, cities, and autonomous regions, whose coal is distributed under a unified state plan, to keep in mind the interests of the whole and to resolutely carry out the State Council's regulation on the unified allocation and transportation of coal from those mines. No department, unit, or individuals are permitted to retain such coal for its own use.

It is necessary to pay attention to priorities in transporting coal. These priorities are to ensure the needs of important power-supply networks, locomotives, Beijing, Tianjin, and Shanghai and to guarantee that people in the north have coal to use in winter. As the transportation capacity of railways is limited, it is necessary to make arrangements for supplying consumers in the order of priority.

It is necessary to strengthen cooperation between transportation departments and coal mines. They should tap potentials and strive to transport more coal to consumers.

The meeting called on concerned leading departments and the Ministry of Railways to adopt an emergency measure to rush transport the existing stocks of coal mines in order to ensure coal for use in the winter. According to statistics, by the end of June about 10.23 million tons of mined coal had been overstocked at state-run coal mines. Of this amount, over 7 million tons were ready to be loaded for shipment. If this quantity of coal can be transported to consumers in the next few months, it will not only meet the pressing needs for production of some areas in northeast and east China, but will also guarantee the normal operation of these coal mines.

The meeting decided to hold a transport-emulation drive among the 83 state coal mines throughout the country. Those that fulfill their transport plans will be commended and awarded; those that fail will be called to account.

MORE AGRICULTURAL RESEARCH CENTERS BUILT

OW131221 Beijing XINHUA in English 0743 GMT 13 Aug 83

[Text] Beijing, August 13 (XINHUA) -- China is building eight agricultural research institutions and expanding another, according to the Ministry of Agriculture, Animal Husbandry and Fishery.

The projects involve a total investment of 15 million yuan from the central and local governments. Construction is scheduled for completion next year.

The new projects include the Shenzhen agricultural research center in Guangdong, a low temperature and cold scourge laboratory in Heilongjiang, a sorghum laboratory in Liaoning, a sunflower laboratory in Jilin, a red duckweed laboratory in Fujian, a grain crop quality assessment station in Yunnan, a technical exchange center in Jiangsu and another in Guangdong.

The Sericulture Research Institute of Liaoning Province is being expanded.

All the new research centers will be equipped with advanced laboratory instruments, some of which will be imported.

The Shenzhen Agricultural Research Center will serve the needs of agricultural and foreign trade development.

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China has established nine modern agricultural research centers since 1979. There are now 1,081 agricultural research institutions above the prefectural level, employing more than 40,000 researchers and technicians.

DENG LIQUN ATTENDS MEETING ON STUDY OF DUNHUANG

OW152222 Beijing Domestic Service in Mandarin 1600 GMT 15 Aug 83

[Text] The inaugural ceremony for the China Dunhuang and Turpan Society and the national academic symposium on Dunhuang research for 1983 opened on 15 August in Lanzhou, Gansu. Attending the ceremony and the symposium were more than 100 specialists and scholars in the fields of history, archaeology, nationalities, philosophy, religion, painting, music, and dancing. When the symposium is in session, the attendees will elect the board of directors for the China Dunhuang and Turpan Society, exchange their experiences in doing academic research work and make decisions on further studying Dunhuang and Turpan.

Also attending the symposium and ceremony were Deng Liqun, member of the Secretariat of the CPC Central Committee, and others.

GU MU VISITS CARVINGS EXHIBITION IN BEIJING

OW131739 Beijing XINHUA Domestic Service in Chinese 1255 GMT 13 Aug 83

[Excerpts] Beijing, 13 Aug (XINHUA) -- An exhibition of Shoushan stone carvings, sponsored by the Fouzhou Carving General Factory and the Palace Museum, came to an end today.

State Councillor Gu Mu as well as Dong Shouping and other noted epigraphists, calligraphers, and artists in the capital visited the exhibition.

NEW PRIVATE COLLEGE ESTABLISHED IN BEIJING

OW151230 Beijing XINHUA in English 1218 GMT 15 Aug 83

[Text] Beijing, August 15 (XINHUA) -- Another private institution of higher learning, Xinghua College, has been set up in Beijing and will soon start enrolling local high school graduates, college sources announced here today. The college, in preparation for over a year, is sponsored by noted scientists and educators with the approval of the Beijing Educational Administration.

The first specialities offered are machinery-electricity and civil engineering, to train specialists needed in Beijing.

The four-year college will invite faculty and receive facilities from universities in Beijing and institutes of the Chinese Academy of Sciences. It also plans to enroll in-service workers and staff members for on-the-job training.

A number of private colleges have already been opened with the support of government departments and democratic parties. One of them is Yanjing Foreign Languages Institute. Set up last April, it is training more than 200 students to be journalists with courses in English, news writing and photography.

Yanjing charges an annual tuition of 250 yuan (130 U.S. dollars), unlike the state-run universities and colleges, where tuition is free.

NORTHWEST PLEDGES TO BOOST CONSTRUCTION

OW131247 Beijing XINHUA in English 1219 GMT 13 Aug 83

[Text] Beijing, August 13 (XINHUA) -- Party and government leaders in Qinghai, Gansu and Ningxia have responded to party General Secretary Hu Yaobang's call on shifting the focus of China's economic construction to the country's northwest around the turn of this century, the ECONOMIC DAILY reports today.

Qinghai, a strategic area in the region, should do everything possible to pave the way for the shift, Hu Yaobang said, on July 31, following an inspection tour of the province. He also called for boosting agriculture, animal husbandry and forestry in Qinghai, and encouraging peasants and herders to become better-off economically by planting trees and grass.

"Hu Yaobang's inspection of Qinghai and his speech are a tremendous encouragement from the party Central Committee to people of all nationalities in Qinghai," said Huang Jingbo, secretary of the Qinghai Provincial party committee and governor of Qinghai Province.

Practical policies and measures must be formulated according to Qinghai's natural conditions, economic development and nationality characteristics to develop the province by bringing every positive factor into play, he said.

"Cadres who are knowledgeable, far-sighted, aggressive and able to create a new situation must be promoted to leading posts," he said. Advanced technology and equipment should be imported to speed up Qinghai's economic construction, he added.

He stressed the current need to pool funds and materials to ensure completion of the country's top-priority construction projects. "This is essential to the development of Qinghai," he said.

"In the next two to three decades, we must persist in planting trees and grass in Gansu Province to achieve prosperity and turn it into a major forestry and animal husbandry center," said Li Ziqi, secretary of the Gansu provincial party committee.

Prosperity cannot be achieved in Gansu by only expanding grain production, he noted. It requires the growth of forestry and animal husbandry.

A tree and grass planting drive will begin throughout the province in 1984, he said.

To achieve the shift set out by General Secretary Hu Yaobang, Ningxia must boost agricultural production and a diversified rural economy while accelerating construction of coal mines, said Hao Tingzao, deputy secretary of the party committee of the Ningxia Hui Autonomous Region.

When 153,000 hectares of wasteland in Ningxia's plains are reclaimed, the region will produce 1.5 to two million tons of grain a year and deliver half a million tons to the state, Hao Tingzao said. The area should also become a food and sugar beet producing center, he added.

Rich in coal resources, Ningxia plans to update and expand existing coal mines and build ones. Construction of power, chemical and metallurgical industrial projects will also be accelerated to assist the nation's and region's priority projects, Hao Tingzao said.

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The ECONOMIC DAILY also carries seven pictures showing economic construction in Qinghai's Qidam Basin. The basin, China's third largest covering an area of 240,000 square kilometers, is rich in oil and other mineral resources.

DENG XIAOPING PRAISES PLA FOR PLANTING TREES

OW050615 Beijing XINHUA Domestic Service in Chinese 0100 GMT 4 Aug 83

[By reporter Guo Diancheng and correspondent Tan Liming]

[Excerpts] Beijing, 4 Aug (XINHUA) -- The PLA overfulfilled its voluntary tree-planting task for last year and the first half of this year by planting three times more trees than planned.

In praising the Army for this achievements in planting trees, Deng Xiaoping, chairman of the CPC Central Committee Military Commission, recently called for persistently doing this work for decades to come.

In the past year and more, leaders at various levels throughout the Army have planted trees as a major task. Large numbers of PLA commanders and fighters have taken an active part in the mass tree-planting campaign and have regarded this as an actual act of ardently loving the motherland and bringing benefit to the people.

The number of trees planted by the Army around the base areas in the past year and a half equals the total number of trees it planted from 1978 to 1981; in the past year and a half the Army also afforested over 74,000 mu of land more than it did in the previous 4 years. Most of the Army units have been chosen by local governments as advanced units in planting trees.

During the same period the Army also trained more 113,700 key greening workers.

GUANGDONG FAMILY PLANNING CONGRESS CONCLUDES

HK140425 Guangzhou Guangdong Provincial Service in Mandarin 1100 GMT 13 Aug 83

[Summary] The first Guangdong Congress of Advanced Collectives and Individuals in Family Planning concluded in Guangzhou this morning, after 6 days in session. The congress adopted a letter of proposal to the people of the province. "The letter called on them to resolutely implement the party policy on family planning and the contraceptive technical policy on inserting the ring after one birth, undergoing ligation after a second birth, and adopting remedial measures in cases of pregnancies not covered by the plan, and to make new contributions to accomplishing the province's population control target.

Provincial CPC Committee Secretary Lin Ruo spoke at the conclusion of the Congress. He affirmed the success of the family planning drive centered on ligation carried out in the province in May and June, and called for still further success in the drive to be launched in September and October.

GUANGDONG'S REN ZHONGYI URGES EDUCATION

HK130243 Guangzhou Guangdong Provincial Service in Mandarin in 2300 GMT 12 Aug 83

[Text] Guangdong Provincial CPC Committee First Secretary Ren Zhongyi recently commented on an official document: Running more correspondence education is a major way to speed up the development of education. Guangdong's correspondence education lags behind the national average level. This state of affairs must be changed as quickly as possible.

On 9 August, the provincial Higher Education Bureau convened a meeting of responsible persons of institutes of higher education in the Guangzhou area to convey and discuss Comrade Ren Zhongyi's comment. After study, the meeting proposed initial ideas on developing correspondence higher education and night universities, and demanded that the number of people in the province participating in these rise from the current 7,000 to 20,000 by 1985, representing 1/3 of the number of people attending full-time university courses in the province. The number should further rise to 48,000 by 1987 and 77,000 by 1990. Old and new night schools in the province should therefore actively create conditions and tap potentials in expanding student enrollment.

GUANGZHOU CELEBRATES 'ASSUMPTION OF VIRGIN MARY'

OW140808 Beijing XINHUA in English 0724 GMT 14 Aug 83

[Text] Guangzhou, August 14 (XINHUA) -- More than 1,500 Chinese and foreign Catholics in Guangzhou celebrated the "Assumption of the Blessed Virgin Mary" here this morning. Bishop Ye Yinyun officiated at a grand high mass in the stone room cathedral. The mass was then followed by benediction of the blessed sacrament. A similar religious ceremony conducted by Priest Liu Lingsi was held this morning at a church in Shamian. Many of the Catholics received Holy Communion after the mass.

HAINAN PLA HOLDS CONFERENCE ON LOGISTICS WORK

HK151320 Haikou Hainan Island Service in Mandarin 0330 GMT 13 Aug 83

[Text] From 3 to 7 August, Hainan Military District held a conference on transforming logistics work. The conference summed up the results in transforming the logistics work of Hainan Military District in the first half of this year. Over the past half year, all units of the Military District seriously implemented the central authorities' principle of transformation and the spirit of the whole army's conference on logistics work, achieved remarkable results in transforming logistics work, initially created a new situation in the Military District's logistics work, and fulfilled all tasks of logistics work better. With an all-round development of agricultural and sideline production, the living standard of PLA units has been raised to a certain extent.

General Logistics Department Adviser Fan Ziyu, who is inspecting work in Hainan Military District, attended the conference and spoke. Fan Ziyu pointed out: The logistics cadres must manage money matters and materials well and strive to make themselves more revolutionary, better educated, and professionally more competent. They must be honest in performing their official duties and vigorously do well in the logistics work of PLA units. He put forward specific demands on the issues of how the units of the military district can further do well in the large-scale inspection of money matters and in transforming the system of financial management.

In their speeches, leading comrades of Hainan Military District demanded: Leading cadres of logistics departments at all levels must further emancipate their minds, boldly carry out transformation, boldly bring forth new ideas, and develop the transformation of logistics work in depth. They must vigorously tap potential, bring the advantages of Hainan into play, tap new financial resources, and strive to accumulate some capital and to do more good work for PLA units. They must raise logistics work to a new level.

GUANGXI SCHOOL ADDS MINORITY LANGUAGE SPECIALTY

OW130951 Beijing XINHUA in English 0800 GMT 13 Aug 83

[Text] Nanning, August 13 (XINHUA) -- A Zhuang language and literature speciality will be added to the Guangxi Institute for Minority Nationalities, in the Guangxi Zhuang Autonomous Region, to train translators, editors and researchers of local culture and literature. China's largest minority, the 13.37 million Zhuangs, live mainly in the central and western parts of Guangxi and parts of Yunnan and Guangdong Provinces. Before 1949, the Zhuangs had only an oral language belonging to Han-Tibetan linguistic family. In 1955, the regional government created a romanized written language which has since been popularized in the region. Under its new program, the Guangxi institute is enrolling 40 students of the Zhuang nationality for a four-year course in the Zhuang language, history and literature.

HENAN GOVERNMENT MEETING ON SITUATION, TASKS

HK150131 Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 14 Aug 83

[Excerpts] The Henan Provincial Government convened its second plenary meeting yesterday afternoon. Vice Governor Yue Xiaoxia presided, Governor He Zhukang made an important speech in which he reviewed work in the first 7 months of this year and demanded that the province further mobilize to do a good job of work in the next few months and resolutely fulfill all the tasks for the year.

He said: The current development of the situation is good. Agriculture has recorded sustained all-round growth. Total summer grain output was 29.1 billion jin, a record. The autumn crops are growing well and a bumper harvest is in prospect. Industrial production has risen steadily. Total output showed a rise of 5.7 percent compared with the same period last year. Sustained growth has been recorded in the energy, metallurgical building materials, chemical, and farm machinery industries and in most light industries. Economic results are also relatively good. After the Central Committee and State Council issued their decisions on concentrating finances and materials to ensure key construction work, resolutely controlling investment in fixed assets, and cracking down on the malpractices of indiscriminately hiking prices and exacting charges, we immediately organized implementation with resolute attitude and effective measures. We have not basically halted these two malpractices. We have also arranged projects under construction in order of priority, and taken steps to ensure key construction work and halt and suspend a number of projects.

Financial revenue started to turn for the better in May. The work of substituting tax payments for delivery of profit in state-owned enterprises has been put on a sound basis. Structural reform in the provincial organs is proceeding steadily and rapidly. Leadership groups have now been assigned to most committees, offices, departments, bureaus, and sections. Examination and approval of leadership groups for second-rank organs have been basically completed.

Comrade He Zhukang said: There is not much time left this year while the tasks are rather heavy and there are many problems to be solved. We must brace our spirits and confidence, take the overall situation into account, grasp the key points, and do a thoroughly sound job in a number of tasks.

We must persistently carry out reform, be bold in innovation, gradually establish a scientific work system, and learn modern, scientific management. In this way the leading organs will switch from backward handicraft leadership methods to advanced, modern, and scientific methods.

HUBEI GOVERNMENT HOLDS PLENARY MEETING

HK140317 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 13 Aug 83

[Text] The Hubei Provincial People's Government convened its first enlarged plenary meeting yesterday afternoon. Principal responsible comrades of all committees, offices, departments, and bureaus of the provincial government attended the meeting. Governor Huang Zhizhen, Vice Governors Tian Ying and Wang Hanzhang, and Provincial Government Adviser Chen Ming were present.

Governor Huang Zhizhen made an important speech. He first introduced the progress of structural reform in the provincial government and a number of tasks to be grasped in the next stage. He then spoke on strengthening ideological building, improving work style and efficiency, and creating a new situation in work in the organs. He demanded that everyone assiduously study Marxism-Leninism-Mao Zedong Thought and the "Selected Works of Deng Xiaoping," and strengthen ideological building. It is necessary to promote cooperation between new and old cadres and replacement of old by new. It is necessary to further improve leadership style. It is necessary to acquire cultural and scientific knowledge, promote the building of the cadre force, and improve its quality.

In conclusion, Governor Huang Zhizhen stressed a number of current main tasks for the province: 1) Get a good grasp of relief through production and strive for a good harvest this year; 2) concentrate finances and materials to ensure key construction work; 3) vigorously promote management and technical transformation in the enterprises; 4) stabilize market prices and strengthen market controls; 5) continue to get a good grasp of reforming the economic setup, and other reforms; 6) exploit talent and cultivate more specialists for the four modernizations.

HUNAN HOLDS URGENT MEETING ON POWER SUPPLY

HK130233 Changsha Hunan Provincial Service in Mandarin 2310 GMT 12 Aug 83

[Text] According to HUNAN RIBAO, the provincial People's Government recently held an urgent conference to study and make arrangements for power generation and supply in the province. The meeting demanded that, as hydroelectric power generation has been cut, the shortfall be made up as far as possible by thermal electricity; and that special attention be paid to planned and economical power consumption.

Since the rainy season ended in late June, most parts of the province have had fine weather, and reservoir levels have continually fallen. Hydroelectric power generation on the provincial grid has dropped from 1.16 million kilowatts in June to 330,000 kilowatts now. The drought is continuing to develop, and hydroelectric power generation will drop further; and the electric power that can be generated at present accounts for only 54 percent of requirements.

To ensure that the limited electric power can be used where it is most needed, the conference demanded that the whole province establish a strong concept of plans and obey the provincial unified command and allocation. Units that have not been allocated power supply must seal their switches; they must not steal electric power for production purposes. Power allocated for security purposes must not be diverted to other use. Enterprises with guaranteed supply for production must do a good job in rationally arranging their labor forces and work-shifts and make full and proper use of every kWh of power. The urban areas must further promote economical consumption of electric power and water, and ensure the needs of people's daily life amid the power shortage.

HUNAN MEETING AIRS FACTIONAL ISSUES

HK140303 Changsha Hunan Provincial Service in Mandarin 2310 GMT 13 Aug 83

[Text] According to HUNAN RIBAO, the Hunan Provincial CPC Committee recently held a brief meeting on structural reform work attended by responsible comrades of all prefectures and cities, provincial organs, and work groups sent by the provincial CPC committee to the prefectures and cities, the provincial organs, and the institutes of higher education. The meeting concentrated on reviewing the state of work in the previous stage of structural reform and looking into a number of problems in the current work. It got a clearer idea of the guiding ideology for structural reform.

The provincial CPC Committee held: Generally speaking, structural reform work in Hunan has progressed smoothly and developed in a healthy way. Notable successes have been scored. New leadership groups have now been assigned to most of the provincial departments, committees, bureaus, and bureau-level enterprises, undertakings, and units. Party and government leadership groups have been readjusted and assigned for all except three of the six cities directly subordinate to the provincial authorities, the eight prefectures, and the autonomous prefecture.

Structural reform is underway in second-rank provincial units, organs subordinate to prefectures and cities, and a number of institutes of higher education. The general reaction to the new leadership groups of the provincial departments, committees, and bureaus, and the prefectures and cities is good, and people find them fresh and new.

At present, we must continue to take the Central Committee's instructions on structural reform as our guiding ideology for structural reform and apply them to unify our understanding and action, to ensure that structural reform work will continue to proceed in a healthy way.

The provincial CPC Committee held: In carrying out structural reform, we must further eliminate the influence of leftist errors and of Comrade Hua Guofeng's erroneous guideline of the two whatevers. In order to maintain better political unity with the Central Committee and better implement the line, principles, and policies since the 3d Plenary Session of the 11th Central Committee, we must continue to eliminate leftist influence in the leadership groups, especially among leading cadres at and above county-level, centering on further correcting the guiding ideology on professional work and implementing the party policy on intellectuals. We must seriously study the "Selected Works of Deng Xiaoping" and regard the spirit of Comrade Deng Xiaoping's writings as our guide. We must carry out deepgoing and meticulous ideological education work and truly solve the problems from the ideological angle. While continuing to eliminate leftism, we must pay attention to guarding against and eliminating interference from the right, and oppose bourgeois liberalization and anarchistic trends.

The provincial CPC Committee held: In carrying out structural reform, we must take a correct view of and handle properly problems left over from the Great Cultural Revolution. There is but one starting-point and aim in solving these problems: to further promote stability and unity at all levels in the province, mobilize to the maximum the initiative of the people of the whole province, and strive to victoriously accomplish the strategic goal put forward by the 12th party congress.

Some years ago, the provincial CPC Committee did a lot of work to solve these problems. However, due to the fact that certain problems were not sufficiently clarified at the time, a very few comrades hold even today that the organizations in which they participated or supported were consistently correct; and they do not make allowances for comrades who made mistakes but have corrected them.

While carrying out this structural reform, it is very necessary for the Hunan work group of the national group for guiding structural reform in the provinces, municipalities, and autonomous regions to have explicitly raised these issues.

The provincial CPC Committee held: We must continue to apply the resolution on a number of questions in the history of the party since the founding of the state to unify the understanding of the leading cadres at all levels regarding the Great Cultural Revolution. On the one hand, we must realize that the Great Cultural Revolution was itself an error, and that although the mass organizations that emerged during the Great Cultural Revolution behaved differently at different times, none of them were consistently correct. On the other hand, we must also realize that the great majority of people who got involved in the Great Cultural Revolution in its initial stage did so because of their faith in Comrade Mao Zedong and the party. Apart from a very few extremists, they did not agree to waging savage struggle against the party's leading cadres at all levels. Later, having enhanced their awareness after traversing different and tortuous paths, they gradually adopted an attitude of doubt and hesitation toward the Great Cultural Revolution and came to resist and oppose it. Everyone should apply the spirit of the resolution to unify understanding, regard and overall situation as the most important thing, cast aside old grudges, look ahead, and work in concert and unity.

In carrying out structural reform, we must take a correct view of cadres who said or did something wrong during the special historical period of the Great Cultural Revolution. When assigning leadership groups, so long as the cadres meet the demands of four transformations of the cadre force and possess ability and political integrity, we should regard them all in an impartial way and be bold in promoting and employing them, no matter which faction they took part in or supported in the initial stage of the Great Cultural Revolution, so long as they have a correct understanding of these matters.

The provincial CPC Committee demanded that every party member preserve the party's solidarity and unity and resolutely oppose factionalism and the activities of all factional organizations and small cliques. They must oppose the double-dealing behavior of feigning compliance, and all plots and conspiracies.

The provincial CPC Committee explicitly pointed out: It is absolutely impermissible for any party member or cadre to engage in establishing ties [chuanlian] or any factional activity. It is necessary to conduct education in party spirit for party members, especially leading cadres at and above county level, upholding party spirit and eliminating factionalism; however, the slogan of purging whole factions should not be raised. If someone is discovered in a unit engaging in factionalism, then that person should be criticized; individual problems should be dealt with on an individual basis. In the future, anyone who carries out further factionalist activities and refuses to mend his ways despite repeated education must be strictly punished by party discipline.

The provincial CPC Committee stressed: In carrying out structural reform, it is essential to hold aloft the banner of unity, and unite as one to look ahead and promote the four modernizations. In strengthening unity, it is first necessary to strengthen the unity of the leadership groups at all levels.

The provincial CPC Committee held: The assignment of new leadership groups for all levels and departments being undertaken in the current structural reform has been done on the basis of democratic recommendation and organizational examination. In general, the work has been done well. The comrades of all sectors must support the work of the new groups and preserve the party's solidarity and unity. In strengthening unity, it is also necessary to promote unity between intellectuals and workers and peasants, between cadres and masses, within the cadre force, and among the masses.

The provincial CPC Committee pointed out: It is necessary to strengthen and improve party leadership. The work groups dispatched by the provincial CPC Committee to all prefectures and cities, the provincial organs, and the institutes of higher education must help and support the new leadership groups in smoothly unfolding their work. These work groups must carry out their work under the unified leadership of the local party committees. This should especially be the case after the establishment of new leadership groups.

The provincial CPC Committee demanded that the party committees at all levels uphold the principle of resolutely carrying out reform and getting a good grasp on the economy; while carrying out structural reform, they must also do a really good job in economic work.

The 14 August HUNAN RIBAO carries an editorial entitled: "Unswervingly Press Ahead With Structural Reform Work."

HUNAN DENOUNCES EXCESS CHARGES AS DETRIMENTAL

HK151315 Changsha Hunan Provincial Service in Mandarin 2310 GMT 14 Aug 83

[Text] A XINHUA reporter's letter to the station has pointed out that it is necessary to transform the method of exacting charges according to farming area.

The letter said: During my recent visit to the commodity grain producing region around Dongting Lake, many cadres and peasants told me: Apportioning charges according to the farming area has added a burden to the peasants and dampened the initiative of the peasants. It must be reformed.

Statistics compiled by the office of the Lanshan County CPC Committee show that in this county, 25 kinds of charges have been apportioned according to the farming area, with an average charge of 24.3 yuan for each mu of rice fields. Even specialized households and commune members who earn more than grain producing peasants cannot afford to pay such charges. Many households who have contracted to undertake the production of grain complained: Many peasants want to carry out grain production. But since the charges are based on the farming area, who wants to plough the land?

At present, peasant households in some places have returned some of the contracted land due to excessive charges. More than 500 peasant households in a commune in Hanshou County, which account for about 10 percent of the commune's peasant households, have asked to reduce the contracted rice fields. Although some commune members have not done so, they have used some of the contracted land to grow other crops, from which they can profit much. If this phenomenon is allowed to continue, it will be detrimental to grain producing specialized households as well as to grain production.

BRIEFS

GUANGDONG DONATIONS CIRCULAR -- On 27 July, the General Office of the Guangdong Provincial People's Government transmitted the supplementary circular of four units, including the Overseas Chinese Affairs Office of the State Council, on strengthening the administration of imported materials donated by Overseas Chinese and Hong Kong and Macao compatriots. The General Office demanded that beginning 1 August 1983, all places and departments enforce the new regulations. The supplementary circular says that last year's circular of the State Council provided that organs at all levels of the party and the government shall not accept materials donated by Overseas Chinese and Hong Kong and Macao compatriots for use in the organs themselves. Regarding materials for use in production and public welfare work in localities, such as machinery, equipment, and apparatuses for repairing and building public facilities, which are accepted in the name of organs at all levels of the party and the government, these materials can be accepted and imported free of customs duties. Regarding materials voluntarily donated by Overseas Chinese and Hong Kong and Macao compatriots to organs at all levels of the party and the government, trade unions, CYL Committees, women's federations, and other mass organizations, including their nurseries and sanatoriums for cadres, these materials can be imported free of customs duties in accordance with the customhouse. [Summary]

[Summary] [Guangzhou Guangdong Provincial Service in Mandarin 2350 GMT 27 Jul 83 HK]

TIANJIN PRESS CONFERENCE ON NEXT 5-MONTHS WORK

SK140944 Tianjin City Service in Mandarin 0030 GMT 14 Aug 83

[Text] At a press conference held yesterday, a spokesman for the municipal government said: A total of 3.5 million square meters of residential houses must be completed this year. In addition, all of Xijingdao Street should be successfully transformed so that people can move in by the end of this year. Efforts should be made to create a new situation in which one street is transformed each year.

The spokesman of the government introduced to 20 or so reporters of Tianjin and other press units the work of the municipality in the first 7 months of this year, analyzed the excellent situation, and spoke at some length about the municipal government's plans for the work of the final 5 months of the year.

He said: In the next 5 months, the general guiding principle for the municipal government's work is to successfully carry out various economic undertakings centering on improving economic results in accordance with the guidelines of the 12th party congress and the First Session of the 6th NPC and with the decision of the CPC Central Committee and the State Council on concentrating financial and material resources to ensure key projects; to strive to fulfill the municipality's 1983 plans for economic and social development; to fulfill the revenue task; to comprehensively implement the 10-point decision made by the municipal government early this year on improving the people's living standards and make good arrangements for the people's lives; and to improve public security and to develop the excellent situation of the municipality. To be more specific, emphasis should be placed on the following four major tasks:

1. Effective measures should be adopted to expand production and improve economic results, step up enterprise consolidation, promote technical progress, and fulfill this year's revenue task with all possible means.
2. Importing of each and every item of technology should be conducted conscientiously cooperation between industry and commerce and between industry trading should be strengthened, and foreign trade through export should be successfully carried out.
3. Efforts should be made to comprehensively implement the 10-point decision and continue to attend to the people's living standards, do a good job in supplying water diverted from Huan He, ensure market supply, stabilize prices, and ensure supply of vegetables and other nonstaple food. The target of establishing 1,000 shops, [words indistinct] and of increasing delivery rooms and wards must be fulfilled. The policy on private houses must be properly implemented. Houses scheduled to be basically completed this year and to have their auxiliary installations finished next year must be built on schedule.
4. Resolute efforts should be made to crack down on economic crimes and other criminal offenses and improve public security.

At the press conference, the reporters also offered some very good opinions and suggestions aimed at improving the municipal government's work.

TIANJIN'S CHEN WEIDA VISITS WATER DIVERSION SITE

SK140722 Tianjin City Service in Mandarin 0030 GMT 14 Aug 83

[Text] On the morning of 13 August, Chen Weida, first secretary of the Tianjin Municipal CPC Committee, on behalf of the municipal CPC Committee and the people throughout the municipality, went to a worksite of the Luan He water diversion project in Qianxi Country to visit and extend regards to the locally stationed PLA units and the railway corps, which were responsible for construction of the tunnel. Comrade Chen Weida said: Carrying forward the glorious tradition of army-civilian unity and hard work, the PLA units have completed the construction of the tunnel in high quality and speed. The municipal CPC Committee and the people throughout the municipality express heartfelt gratitude to you. The PLA units have exerted great efforts, sweating and bleeding, during the construction in order to benefit the people. Thinking of where it comes from whenever they drink water, the people of Tianjin will never forget you. We will educate our children and grandchildren to never forget the PLA.

Others visiting the worksite were Wu Zhen and Zhang Huaian.

TESTING OF TIANJIN DIVERSION PROJECT BEGINS

OW160005 Beijing XINHUA in English 1337 GMT 15 Aug 83

[Text] Tianjin, August 15 (XINHUA) -- Trial operations began today on China's biggest water diversion project, which leads water from the Luanhe River in Eastern Hebei Province to Tianjin, a major port and industrial city. The test, lasting nine days, will check 113 major construction and engineering subprojects along the diversion's 234 kilometer route, along with their machines, meters and instruments.

The project will officially be put into operation on September 11, according to a spokesman for the headquarters for the Tianjin water diversion project. Sluiceways at the Panjiakou and Daheiting reservoirs on the upper end of the project were opened at 10 A.M. [0200 GMT] today. By 16.00 hours [0800 GMT], the water flow, measured at 40 cubic meters per second, was still on its way to Tianjin through a 12.39 kilometer tunnel in the Yanshan mountains -- the longest in China -- and a network of rivers and canals. The water diversion is one of China's top priority capital construction. Construction began in May 1982 and was completed in July of this year.

Earlier this year, Deng Xiaoping and other Chinese leaders praised builders for fulfilling their tasks with fast, good and economically results.

NEED FOR TIANJIN DIVERSION PROJECT OUTLINED

OW160013 Beijing XINHUA in English 1341 GMT 15 Aug 83

[Text] Tianjin, August 15 (XINHUA) -- The Luanhe River water diversion project which started test operation today in Tianjin will be vital to the very existence and growth of this north China port and industrial city, according to Chen Peilie, a senior engineer on the project.

"In a sense," Chen said, quoting an earlier statement by a central leader, "water is even more important to Tianjin than energy."

This is because north China has rich coal reserves and a newly-emerging oil industry, as well as abundant manpower. But historically, Tianjin astride the Haihe River has either suffered from too much water or too little -- and always too little in the past decade.

What Water Supply Means to Tianjin

The project, each year to supply one billion tons of water from the Luanhe River, will put an end to Tianjin's reliance on the salty Haihe River for drinking water. The Haihe River, which crosses Tianjin to empty into the sea, sinks low in the dry season. The intrusion of sea tides through a shiplock turned the river water brackish.

The project will also pave the way for Tianjin's industrial expansion, Chen Peilie said. About 50 percent of Tianjin's industrial products are sold in other parts of China. Twenty-five percent are exported and the rest marketed in Tianjin and the surrounding areas. "It is therefore evident that the water diversion project will be of national importance," Chen Peilie said.

The city's textile, printing and dyeing, pharmaceutical and food processing industries will be able to upgrade their products by using fresh water from the Luanhe River, Chen said. A new waterworks is being built and two existing ones are being expanded to handle the increased flow, he said. Luanhe River water will directly be sent to the waterworks through underground channels. When the three projects are completed, Tianjin's waterworks will supply 1.5 million tons of water per day, as against 600,000 to 800,000 tons at present.

Some Luanhe River water will be directed into the Haihe River to help improve the quality of water in Haihe. Luanhe River water will also be used to irrigate vegetable plots and orchards on the city's outskirts and improve the environment and sanitation of the city as a whole.

Urgency of Tianjin's Water Problem

Sun Benxi, director of the office of the municipal Waterworks Company, said Tianjin's demand for water has multiplied due to industrial growth and a rise in local living standards. In 1982, he said, the city's waterworks sold 106 million tons of water to industrial enterprises, 170 times the 1949 figure. Between 1949 and 1982, he said, Tianjin's urban population doubled, but supplies of running water for household use soared from 13 million tons a year to just under 100 million tons.

When Tianjin's water shortage became acute in 1980, Sun said, the municipal government ordered all industrial enterprises to cut down consumption. The shortage forced 12 paper mills to suspend production for two months that year. All the 1,150 industrial cooling systems, which used to consume 60 percent of the city's industrial water supplies, now use circulating water.

Printing and dyeing workshops, paper mills, fiberboard factories and power plants have all adopted water saving devices. The paper mills alone saved 90,000 tons of water per day in 1982, compared with 1979, and reduced discharge of industrial waste.

These economies enabled the city to increase gross industrial output by over six percent each year between 1980 and 1982, although industrial water supplies decreased slightly during this period.

From Too Much Water to Too Little Water

Historical records show that Tianjin never fell short of water when consumption in the city and its surrounding rural areas remained low. On the contrary, too much water was then the problem. In the five centuries up to 1949, the area was flooded by Haihe River on 70 occasions. Reservoirs built upstream on Haihe's tributaries in the past decades to store water basically eliminated the danger of flooding. But the expansion of irrigation sharply reduced the flow of the Haihe River, and dry weather in the past three years aggravated the problem. As water levels in the Miyun Reservoir on a Haihe tributary dropped, the state council decided in 1980 that the reservoir, which formerly had sent water to both Tianjin and Beijing, would henceforth supply the Chinese capital only.

As a temporary, emergency measure to relieve Tianjin's thirst, water was diverted to the city from the Yellow River along an 800-kilometer route in the winters of 1981 and 1982. In 1981, the State Council decided to build a permanent water diversion project for Tianjin.

BRIEFS

SHANXI'S SHI JIYAN DIES -- Shi Jiyan, former Standing Committee member of the Shanxi Provincial CPC Committee, vice chairman of the Fifth Provincial People's Congress Standing Committee, president of the Shanxi branch of the Chinese People's Association for Friendship with Foreign Countries and honorary president of the Shanxi Provincial Journalists' Association, died of an incurable disease on 21 July 1983 at the age of 73. The memorial service was held at the auditorium of the Taiyuan City Shuangtasi Revolutionary Cemetery on 30 July. Li Ligong was chairman of the funeral committee and Huo Shilian, Luo Guibo, Li Xiuren, Wang Senhao, Wang Kewen, Wang Tingdong, and Zhang Jianmin were members of the funeral committee. [Excerpts] [Taiyuan SHANXI RIBAO in Chinese 22 Jul 83 p 1 SK]

SHANXI AFFORESTATION -- Shanxi Province has made use of the soft soil after rain to plant trees. According to statistics, various localities dispatched airplanes to sow 193,700 mu of tree seeds. By the end of June, Xin county had afforested 79,000 mu and Taiyuan City had afforested 24,000 mu. [Summary] [Taiyuan SHANXI RIBAO in Chinese 20 Jul 83 p 1 SK]

SHANXI SUMMER GRAIN PROCUREMENT -- As of July, Yuncheng Prefecture, Shanxi Province, had overfulfilled the 1983 summer grain procurement plan by 830,000 jin. At present, commune members are marketing wheat to the grain departments. [Text] [Taiyuan SHANXI RIBAO in Chinese 21 Jul 83 p 1 SK]

SHANXI CULTIVATES SAPLINGS -- Luliang Prefecture, Shanxi Province, had cultivated 89,000 mu of saplings as of 21 July, topping the record by 25 percent. Lishi county allocated 600,000 yuan to commune members to cultivate saplings in 1983. At present, this county has cultivated 6,018 mu of saplings. [Summary] [Taiyuan SHANXI RIBAO in Chinese 21 Jul 83 p 2 SK]

CHINA POST VIEWS MIG-21 DEFECTOR'S WISHES

OW152209 Taipei CHINA POST in English 11 Aug 83 p 4

[Editorial: "Early Realization of Sun's Wishes"]

[Text] An AFP report from Seoul indicated that the Republic of Korea Government in a special cabinet session has decided to repatriate Chinese Communist MIG-21 pilot Sun Tien-chin to the Republic of China in accordance with his wishes.

The decision will serve to reject the Chinese Communist demand for the return of pilot Sun to the Chinese mainland. The same dispatch indicated that the ROK Government will keep the MIG-21 plane in South Korea pending negotiation with the Peking regime. Such a decision, if true, will open the door wide for ROK-Peking talks over the issue which some sources consider as feasible. Unfortunately such a course would lead to a great many pitfalls harmful to South Korea's anti-communist stand and reputation.

As a matter of fact, it is always dangerous to talk to the Chinese Communists, as any talks with them would be exploited by the Peking regime's propaganda machine for its own benefit. It would twist any statement the ROK representative may make to the Chinese Communists favor and shed bad light on the ROK's stand or statements.

It is, therefore, much safer and better for the ROK authorities to stick to its earlier decision of keeping the Chinese Communist plane as it did in the Wu Jung-ken case and not to permit Chinese Communist intervention or demand for the return of the MIG-21 fighter. Moreover, as it is the first time that the free world has got hold of a MIG-21 fighter, the ROK authorities should allow the United States and other friendly governments to have access to the plane to examine its features, components, and functions. The officials of the ROK National Defense Ministry would be especially interested in such an inspection and examination as it is one of the Chinese Communist planes that our Air Force will encounter in future combat operations.

We hope that the ROK authorities will resolutely reject the Chinese Communist demand for the return of the jet fighter as well as its pilot Sun Tien-chin. It should also release Sun from the ROK'S protective custody and hand him over to the ROC authorities for a hearty welcome and early return to the Republic of China where a hero's welcome and acclaim are awaiting him. We hope that Sun's wishes to return to the Republic of China to gain freedom will not be delayed much longer but will be speedily granted.

U.S. CONGRESSIONAL DELEGATION VISITS TAIWAN

Premier Sun Hosts Delegation

OW141414 Taipei CNA in English 1332 GMT 14 Aug 83

[Text] Taipei, Aug, 14 (CNA) -- Premier Sun Yun-hsuan Sunday told an American congressional delegation that from trade to societal goals, the Republic of China keeps close company with the United States. Premier Sun gave a dinner party in honor of Representative James C. Wright, Jr., majority leader of the U.S. House of Representatives, and his delegation at the Taipei guest house. The 21-member U.S. Congressional delegation arrived in Taipei Saturday evening for a three-day stay.

The premier said the visit is especially gratifying to this nation, "Because it is another signal link in the chains of purpose and friendship that bind our two countries." He also expressed profound appreciation to Majority Leader Wright and the others in the U.S. Congress who supported the legislation of the Taiwan Relations Act -- An American law which specifies the U.S.'s concern for the continuing freedom and progress of the ROC, including the ROC's capability of deterring aggression.

As modern arms and tactics are of the real need now to assure the viability of the ROC's defenses, Premier Sun said: "We are confident that our actual strategic meaning in the Pacific is of sufficient value to warrant the full support of all who value peace and freedom in this area." The premier said that American aid and other support in the 50's and early 60's contributed greatly to the solidity of the ROC's economic foundations. Today, the ROC's "economic miracle" is intimately associated with the continuing miracle of America's own free enterprise system, he added.

Indicating the ROC's deep awareness and concern for the imbalance in the ROC-U.S. trade, Premier Sun pointed out that the best way to improve the situation is to increase the ROC's imports from the U.S. and boost the overall trade of the two nations, rather than to reduce the ROC's exports to the U.S. Rep. Wright and his delegation are scheduled to depart Monday evening. Before departure, the delegation will hold a press conference at 6 p.m. at the Taipei Grand Hotel.

Text of Premier Sun's Speech

OW150421 Taipei CNA in English 0236 GMT 15 Aug 83

[Text] Taipei, Aug. 15 (ANA) -- Following is the full text of Premier Sun Yun-huan's remarks at the dinner party honoring Jim Wright, majority leader of the U.S. House of Representatives, and his delegation on Aug. 14.

Honorable Jim Wright and Mrs Wright, distinguished guests, ladies and gentlemen:

I am pleased to welcome here this evening a distinguished delegation of U.S. congressmen under the leadership of the majority leader of the U.S. House of Representatives, the Honorable Jim Wright. Their visit is especially gratifying to us, because it is another signal link in the chains of purpose and friendship that bind our two countries.

We all understand that in recent years, the United States Congress has been playing a major role in the shaping and implementation of American foreign policy. The House of Representatives, under the brilliant leadership of Congressman Wright as its majority leader, has made remarkable contributions in the process.

Our founding father, Dr Sun Yat-sen, also dedicated our republic to Abraham Lincoln's vision of a nation of the people, by the people, and for the people. Our soldiers fought as allies in World War II. Our economic foundations owe their solidity to American aid and other support in the 50s and early 60s. And today, our country's "economic miracle" is intimately associated with the continuing miracle of America's own free enterprise system.

We are, despite this island's small size, the seventh largest trading partner of the United States. We happen to rank No 6 in the world as a buyer of U.S. corn. Our increasingly affluent 18.5 million people also consume great quantities of soybeans and wheat. We are the world's No 1 importer of U.S. apples.

If you visit our stores, you will note that we also buy a great many U.S. made consumer goods -- deluxe quality household appliances, clothing, medicines and cosmetics. Our factories are consumers of U.S. technology. Many American banks have established branches here.

The U.S.-ROC trade relationship is based on sound economic principles. It shows amazing strength and durability in bad times as well as good. A basic part of the reason is evident in the ROC's economic profile, as evidenced from World Bank statistics. For example, the average income of the top 20 percent of our population in 1952 was 15 times that of the bottom 20 percent. Today, that ratio is just four to one. I hold up these figures not only because we are proud of our achievement in this respect -- one of the most equitable distributions of income in the world -- but because they are one of the major reasons for our economic stability, and for our consequent reliability as a stalwart friend and trading partner in an unstable world.

At this point, I want to indicate our deep awareness and concern for the imbalance in the ROC-U.S. trade. Last year it came to U.S. \$4.2 billion in our favor. The 1982 figures were largely due to the reduced import of U.S. machinery and capital equipment as a result of the slowdown in our economy. In any case, the lack of balance is not good for either nation.

I have previously stated my firm belief that the best way to reduce this surplus is to increase our imports, boosting our overall trade, rather than to reduce our exports. Accordingly, we will vigorously pursue our efforts to purchase more U.S. commodities, equipment and services. Since 1978 we have purchased, through seven special procurement missions to America, U.S. \$6 billion worth of products. And the eighth such mission is now in process.

Also, as the economic recovery proceeds, I am sure that imaginative marketing of U.S. products in our consumer market will pay increasing dividends.

I remarked earlier, that our equitable distribution of incomes was a single factor in the island's stability. And since we are but a few minutes by air from the communist-dominated mainland, it is quite evident that our defense capabilities are also a major factor.

The armed forces of the Republic of China are however, more than a deterrent to any aggression against our country. They are a very significant obstacle to communist penetration of the Pacific island nations. Our forces have served to cap the expansion of communist influence eastward. Our air and sea forces now also secure the shipping lanes connecting Japan and Korea to the Middle East and to Southeast Asia from the growing Soviet air and naval presence. It does not require much imagination to envision the effect of prospective communist control of their shipping lifelines on Japanese and Korean policy, nor on the free world's strategic position in the Western Pacific.

We have nurtured stability within while advancing in every area of human endeavor. We have also been a stable force and an insurer of peace in this region over many years. Today our influence in these respects is buttressed by a unique act of the congress of the United States, the Taiwan Relations Act -- an American law which specifies the United States concern for the continuing freedom and progress of our people, including our capability of deterring aggression. Majority leader Wright and the others who supported this legislation have our profound appreciation.

We have always deterred the communist military threat by concentrating on the quality of our arms and training to offset their greater mass. The successes of modern arms and tactics have been demonstrated in the Falklands and other recent confrontations, further evidence of the real need now to assure the viability of our defenses into the future.

We are confident that our actual strategic meaning in the Pacific is of sufficient value to warrant the full support of all who value peace and freedom in this area.

I would like to affirm that we can be counted on to maintain our policy and position within the democratic community. Our record shows it. For ourselves, we will continue the pursuit of an ever-increasing democracy and a vital and vigorous society. In this way we also fuel the spark of freedom among our mainland compatriots.

We feel that our endeavors are examples of concrete actions helping to set in motion movements toward freedom and democracy for peoples trapped behind the bamboo curtain. In this way, we seek to do our part to meet President Reagan's appeal in his recent expression of American purpose.

So, from trade to societal goals, we keep close company with America. If our conditions are at differing stages, and our paces at times vary, we nevertheless seek the same kind of world -- a free and prosperous grouping of peaceful and democratic nations, dedicated to human dignity and well-being.

The more our two nations recognize the coincidence of our directions, the more closely will we cooperate in the attainment of our aspirations. The presence here of this distinguished delegation can only add impetus to this current.

Now, may I ask all of you here to join me in a toast to the progress and prosperity of the United States of America, and to the good health and continued success of majority leader and Mrs. Wright and all the distinguished members of the delegation. Thank you.

President Chiang Meets Delegation

OW160255 Taipei CNA in English 1448 GMT 15 Aug 83

[Text] Taipei, Aug 15 (CNA) -- President Chiang Ching-kuo received an American congressional delegation led by Jim Wright, D-Texas, House majority leader, at the office of the president Monday afternoon. Other members of the group include Representatives Dante B. Fascell, D-Fla., James H. Scheuer, D-N.Y., Harry Reid, D-Nev., Sherwood Boehlert R-N.Y., John Paul Hammerschmidt, R-Ark. and Larry Smith, D-Fla.

President Chiang extended his welcome to the American guests and said he hopes that the visit will help them better understand the Republic of China. He exchanged views with the U.S. congressional leaders on matters of mutual concern, including the international situation, Sino-American relations and the Communist Chinese united front intrigue.

Also present at the occasion were Adm Ma Chi-chuang, secretary-general to the president, Vice Foreign Minister Ding Mou-shih and James C. Y. Soong, director-general of the Government Information Office.

Economics Minister, Delegation Meeting

OW152236 Taipei CNA in English 1452 GMT 15 Aug 83

[Text] Taipei, Aug 15 (CNA) -- Economics Minister Chao Yao-tung Monday told a visiting delegation of American congressmen that the Government of the Republic of China sees the trade balance between the ROC and the United States as a very important task, and will do its utmost to improve the unbalanced situation now in favor of the ROC.

The delegation, headed by James C. Wright, Jr., D-Texas, majority leader of the U.S. House of Representatives, which arrived in Taipei Aug. 13, called on Minister Chao in the morning. When talking about Sino-American trade relations, Chao said that the ROC Government will encourage local industrial and trade organizations to buy more American products. He also urged American traders to intensify their promotion work here. "The majority of Japanese coming to to business here are salesmen, while the Americans are mainly buyers," Chao said.

Chao also told the American congressmen that the ROC Government has been taking severe action against trade mark counterfeiting. Counterfeiting will cause more damage to ourselves than to other countries, he pointed out.

The American visitors expressed their understanding of the ROC Government's efforts in improving the problem areas discussed. The ROC made an unprecedented record of trade surplus with the United States totaling U.S. \$4.6 billion in 1982. In the first half of the present year, the surplus amounted to U.S. \$2.8 billion.

PREMIER SUN MEETS HONDURAN INFORMATION CHIEF

OW151401 Taipei CNA in English 1336 GMT 15 Aug 83

[Text] Taipei, Aug. 15 (CNA) -- Premier Sun Tun-hsuan Monday afternoon received Amilcar Santamaria, director of the International Information Office of the Government of Honduras. During the meeting, they exchanged views on the further strengthening of friendship and cooperation ties between the two nations. Also present at the meeting was James Soong, director general of the Government Information Office [GIO].

Santamaria arrived in Taipei Aug. 8 for a nine-day visit at the invitation of the GIO. He is scheduled to leave Aug. 16.

HU YAOBANG: PRC TO RECOVER HONG KONG 1 JULY 1997

HK160036 Hong Kong WEN WEI PO in Chinese 16 Aug 83 p 1

["Dispatch" from correspondent Cheng Hsiang: "Hu Yaobang Speaks on Hong Kong Issue Yesterday, Says China Has a Complete Set of Policies for Maintaining Hong Kong's Prosperity"]

[Text] Beijing, 15 Aug -- When meeting today with Taisuke Yamauchi, director of the MAINICHI SHIMBUN, General Secretary Hu Yaobang answered Japanese journalists' questions on the Hong Kong issue.

According to your correspondent's information, Hu Yaobang said to Taisuke Yamauchi, we hold that the three treaties relating to Hong Kong are unequal; however it is a fact that the treaties exist, and they clearly specify 30 June 1997 as their date of expiry. Hence we do not intend to bring the expiry date forward, and neither will we set it back. We will recover Hong Kong on 1 July 1997; as far as China is concerned, this is an attitude of respecting history. The talks we are now holding with the British deal with the questions of how to maintain Hong Kong's prosperity after 1997, and how to gradually carry out the transition from now until 1997. He said that China has a complete set of policies for maintaining Hong Kong's prosperity. Hence the people of Hong Kong and the foreigners in Hong Kong have no need to worry.

TA KUNG PAO ON HU REMARKS, TRANSITION PERIOD

HK160146 Hong Kong TA KUNG PAO in Chinese 16 Aug 83 p 2

[Editorial: "Hu Yaobang Talks on Future of Hong Kong -- Transitional Period to Recovery of Sovereignty Has Already Started"]

[Text] General Secretary Hu Yaobang's remarks on the future of Hong Kong and Taiwan attracted attention the moment they were published.

He made these remarks yesterday when meeting the Japanese MAINICHI SHIMBUN Director Taisuke Yamauchi and his party. He also spoke on China's economic and political situation and foreign affairs, and gave his views on the international situation. The XINHUA NEWS AGENCY's external transmission placed the passages on Hong Kong and Taiwan at the head of its report, and foreign press dispatches attached particular importance to the part dealing with Hong Kong.

Because he mentioned that China will recover sovereignty over Hong Kong in 1997, the foreign dispatches pointed out that this was the first time a Chinese leader had named a specific date for recovering sovereignty over Hong Kong. In the final part of his government work report delivered to the First Session of the Sixth NPC on 6 June, Premier Zhao Ziyang mentioned that China would recover sovereignty over Hong Kong at the appropriate time and would take appropriate steps to maintain Hong Kong's prosperity.

After that, some people asked what were the specific contents of these two "appropriates." Hu Yaobang has now specifically revealed that the appropriate time means 1997. Talking about his interview with Hu Yaobang to foreign correspondents, Taisuke Yamauchi also said that the specific date is 1 July 1997. As everyone knows, the New Territories lease treaty expires on 30 June 1997. China by no means recognizes the three unequal Sino-British treaties on Hong Kong and Kowloon; however the timing for the recovery of Hong Kong is evidently based on the spirit of respecting history and reality.

China and Britain are currently holding talks on the future of Hong Kong. Three rounds of the second phase of the talks have been held, and they are now adjourned until late September. It can be seen from Hu Yaobang's talks to Japanese journalists that the question of sovereignty does not come at all within the scope of the Sino-British talks; the talks merely deal with the question of how to maintain Hong Kong's prosperity and stability and how to gradually make the transition from now until the time of recovery. A small number of people in Hong Kong want to separate sovereignty from administrative powers, putting forward all kinds of weird schemes. Sovereignty and administrative power are two parts of an entity, and recovering the exercise of sovereignty over Hong Kong obviously means recovering administrative power. It is absolutely impermissible to hold any unrealistic illusions on this issue. This is the case with maintaining Hong Kong's prosperity and stability before the recovery of sovereignty, and still more after sovereignty is recovered. The difference between before and after lies in the fact that after the recovery of sovereignty, Hong Kong becomes an internal affair of China. Hence, the question of how to gradually make the transition in the 14 years from now until the recovery of sovereignty and ensure that the objective conditions for the recovery of sovereignty are prepared in Hong Kong during the 1990's has become still more prominent. It can be said that the transition period up to the recovery of sovereignty has already started.

What did Zhao Ziyang mean by "appropriate steps?" Hu Yaobang also had something to say about that on this occasion. He said that China has a complete set of policies for maintaining Hong Kong's prosperity. The compatriots of Hong Kong very much hope that this complete set of policies can be published at an early date. It seems that this will have to be determined by the progress and development of the Sino-British talks.

After prolonged discussion and gathering the views put forward by various sectors in Hong Kong, Beijing now has a complete set of policies on Hong Kong's future. China's basic standpoints have been expressed with great clarity, but it still hopes to reach an agreement in the talks with Britain. This will be honorable and beneficial for both countries.

ALL VIEWS ON 1997 ISSUE MUST BE FREELY STATED

HK160246 Hong Kong SOUTH CHINA MORNING POST in English 16 Aug 83 p 2

[Editorial: "Speaking Up On Our Future"]

[Text] The lull that will take place before British and Chinese officials reassemble in Beijing to resume the talks on Hong Kong's future marks only a pause in time, not a suspension of polemics. The increased tempo of discussion in the leftwing media in Hong Kong and the declaration by a major leftwing union last week show only too clearly that the next four weeks will be used to stress respective viewpoints.

And to the extent that they provide an opportunity for Hong Kong people in a broad sense to submit their own views on what kind of administration they want for the future, this can be welcomed. What is distinctly unattractive, however, is the notion that only those views acceptable to Beijing will be tolerated. This goes so wholly against the traditional democratic practices that Hong Kong has employed as to be repudiated by people of all persuasions.

We genuinely want to achieve an open consensus on what Hong Kong people want. And however much the final result may stick in the leftwing crowd people must not be intimidated or discouraged from stating their views frankly and fearlessly. For while the issue of sovereignty is not a serious obstacle to our future (if indeed it is an obstacle at all), the kind of administration we have in Hong Kong very definitely is.

To accept that Hong Kong laws by themselves can guarantee our future would be ingenuous in the extreme. Laws can be changed and it is the administration of those laws as much as the assurance that the independence of the law-making authority is guaranteed that is the crucial issue. If we value our independent way of life and our free enterprise system in Hong Kong, clearly we must be able to run our economy and our way of life independently from that of China, regardless of the twists and turns that may occur as the next political generation works its way up.

Great as the advances in China have been in the past 34 years, we are not comparing like with like. Hong Kong has clearly fared better going its own way with its own administration, linked neither to domestic Chinese nor United Kingdom policies. Chinese communism is as alien to our way of life as the UK welfare state. Our chosen path is that of free enterprise. Let us acknowledge without hesitation the efforts of the hard-working Hong Kong people, without whom none of this would be possible. But they have thrived because the system has encouraged them to do so.

We believe that the maintenance of this system is essential for our future, if we are not to fall under the influence of policies that are pursued in China, for the Chinese people, however necessary and valid they may be there.

The Hong Kong system, as it has evolved in the postwar years, is clearly the best for our long-term interests. This is our view; how widely accepted it is must be seen in the reaction of the community as a whole. No one sector has a monopoly; nor should any one group try to shout down the opinions of others, or assume that the millions who have fled from communism over the years are now reconciled to return to it, however much they attest to their allegiance as Chinese.

The view that Hong Kong is inseparably part of China is not at issue; what is, is the type of administration that can best ensure its value as a continuously viable economic machine in the long-term future, both for the people of Hong Kong and for China itself. What offers the greatest good for the greatest number? The Hong Kong public must be free to state its mind clearly and unequivocally.

PLA STOPS PATROLS ON HONG KONG-SHENZHEN BORDER

HK150230 Hong Kong HONG KONG STANDARD in English 15 Aug 83 p 1

[Article by Terry Cheng]

[Text] Shenzhen -- The People's Liberation Army has stopped patrolling the Hong Kong border, a senior Shenzhen official said yesterday. Its duties have now been shifted to a team of security forces made up of policemen of the Public Security Bureau and the militia. Explaining the move, the official, who wished to remain anonymous, said: "There is no longer the need to position the PLA along the border because relations between China and Hong Kong are so good."

Analysts believe the withdrawal of the troops reflects the thinking of Chinese leaders that Hong Kong is part of the country.

The STANDARD broke the news last year that the Chinese authorities were considering withdrawing PLA units from the border once the special economic zone was fenced off from the rest of China.

Shenzhen mayor, Mr Liang Xiang, had said earlier this month during his visit here that the construction of the second "barrier" for the special economic zone had been completed. "An internal test of the facilities of the second line is to be carried out from the middle of this month, and after it is found to be satisfactory, the second line will come into operation," he said. When this second boundary is set up, people from Hong Kong would find it easier to enter the zone, but Chinese people from other parts of the country would face restrictions in entering the zone. It is also planned that visitors from Hong Kong would be given a multi-entry permit, which could probably be in the form of a computer card, to enter the zone. The official however did not say exactly when the PLA units had been taken off from border patrol duty. But Shenzhen residents told the STANDARD they had not seen the units there for sometime. The security forces taking up the new job are mainly from the militia, which includes those from anti-illegal emigration units and those responsible for maintaining law and order in the urban areas.

Analysts say the withdrawal of the PLA from the border signifies a growing relationship between the Shenzhen and Hong Kong authorities. "This may also indicate that Chinese leaders are treating Hong Kong more and more a part of the country," they said. One of the major tasks of the PLA units in the past was to prevent illegals from sneaking across the border into Hong Kong. However, their role in combatting illegal immigration has diminished since Hong Kong scrapped its so-called touch-base policy in 1980.

TWO JOINT VENTURE PROJECTS OPENED IN SHUMCHUN

HK150154 Hong Kong SOUTH CHINA MORNING POST in English 15 Aug 83 p 14

[Text] Top officials from Shumchun and Guangdong attended the opening ceremonies for two joint-venture projects between Hong Kong's Goodyear Group and the Shumchun Government over the weekend.

The opening of the Goodyear Group's printing and packaging plant was attended yesterday by the mayor of Shumchun, Mr Liang Xiang, the chairman of Goodyear Investors Limited, Mrs Loretta Pang, and the Director of Foreign Trade Bureau in Guangdong Province, Mr Feng Xue-yan. On Saturday, Mr Liang opened another project -- the East Lake Hotel. Also there were Mr Chi Xinping, manager of the Shumchun Forestry Bureau, and Mrs Loretta Pang.

Guests from Hong Kong and Guangdong included deputy directors of the NEW CHINA NEWS AGENCY in Hong Kong, Mr Chi Feng and Mr Yeh Feng, the vice-governor of Guangdong Province, Mr Liang Weilin, and the vice-mayor of Shumchun, Mr Zhou Xiwu.

Located on the Shumchun reservoir, the East Lake Hotel is a \$35 million joint venture between Goodyear and the Forestry Bureau in Shumchun.

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